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HISTORY OF DIRECT GOVERNMENT LENDING TO AGRICULTURE AND GOVERNMENT ASSISTANCE THROUGH ACTIVITIES OF PRIVATE AGRICULTURAL CREDIT CORPORATIONS 1918-1943

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INTRODUCTION[1]

During the past 25 years the Congress of the United States has enacted various laws which provided for the use of Federal funds for direct loans to agriculture. Throughout this period from 1918, national defense, depressed agricultural conditions, or local disaster was the generating cause leading to these legislative enactments, the objective of each being improvement of the Nation's agricultural economy.

After American entry into World War I in 1917, Congress authorized in 1918 the formation of the War Finance Corporation. This governmental agency furnished credit to both industry and agriculture in the multifarious work of that war and in connection with the post-war period. Also in 1918 the funds were provided for the first program of Federal seed loan financing.

Since the inception of Federal lending to agriculture, the policy of the Federal Government has represented a compromise between the three following concepts:

(1) Direct lending of appropriated funds by the central Government through branch offices in the various localities.

(2) Government assistance by indirect means to stimulate lending by private institutions.

(3) Lending through the mechanism of a cooperative system approximating that of certain foreign countries.

This report is a brief historical review of the agricultural lending activities of the War Finance Corporation; Federal Crop, Feed, and Seed Loan Financing; Agricultural Marketing Act Revolving Fund; Regional Agricultural Credit Corporations; Farm Security Administration; and Disaster Loan Corporation. It also discusses the development of agricultural credit corporations which were assisted by the Government through their access to discount privileges with the Federal intermediate credit banks. These agencies cover the field of agricultural credit which has been sponsored by the Federal Government either through direct lending of appropriated funds or through machinery which has been set up to encourage private capital to make loans to farmers. While the Production Credit System and the Federal Land Bank System were sponsored by the Government, these institutions are not discussed herein because they represent permanent cooperative credit systems. The Federal Farm Mortgage Corporation, which is outside the permanent cooperative credit system, is so closely allied with the operations of the Federal land banks that it is not considered in this report.

[1] This report was prepared by Ross J. Silkett, Senior Agricultural Economist; Hurshel E. Underhill, Economist; and Frederick L. Newhouse, Associate Agricultrual Economist.

SUMMARY OF OBSERVATIONS ON DIRECT LENDING OPERATIONS

The various direct lending activities of the Federal Government have been mainly improvised devices to meet special emergencies of one kind or another. These emergencies have fallen within four main categories:

First, the necessity for providing supplementary credit during wartime for the purpose of (a) filling the gap during periods when private credit facilities are strained because of the Government's financial needs, and (b) assuming the high risk loans necessary to expand food production.

Second, the necessity for providing supplementary credit during periods of extreme general economic depression.

Third, the necessity for providing supplementary credit to areas of local disaster.

Fourth, the necessity for providing supplementary credit to low-income farmers on a supervised basis with the fundamental objective of eventually placing this group on a sound financial basis so that they can obtain credit through the normal channels.

In this direct type of agricultural financing, there has been a tendency for agencies to be created for specific purposes and remain in operation alongside of other agencies which offer credit for somewhat similar purposes. The emergency crop and feed loans, originally administered by the Secretary of Agriculture but later transferred to the Farm Credit Administration, are for the purpose of supplying credit in small amounts to farmers who are in distress or who cannot obtain credit from usual sources. The Disaster Loan Corporation, another agency with limited powers, makes loans available to farmers who have suffered property loss or damage from floods or other catastrophes. The rural rehabilitation program of the Farm Security Administration makes loans and supervision available to farmers handicapped by an uneconomic scheme of operations and unable to obtain adequate credit from any other source. In 1932, the regional agricultural credit corporations were created to meet the unusual demands for short-term agricultural credit during a period of serious credit stringency. After a period of liquidation and consolidation, the lending activities of the Regional Agricultural Credit Corporation of Salt Lake City, were resumed in 1941 to furnish credit to fruit growers in the State of Washington who had encountered serious difficulties in obtaining adequate financing. In January 1943, the lending activities of the Regional Agricultural Credit Corporation of Washington, D. C., were again revived on a Nation-wide basis for the purpose of providing a a supplementary form of credit to aid in financing wartime demands for increased food and fiber production. Thus, the several Government agencies which were created for the purpose of providing special high risk loans for farmers from appropriated funds have largely remained side by side in the lending field either in their original or modified form. Only the agricultural lending activities of the War Finance Corporation have been discontinued.

Another type of credit assistance given to farmers was that established by the Agricultural Credits Act of 1923 which created the Federal intermediate credit banks and provided for the creation of national agricultural credit corporations as discount institutions for loan companies and agricultural credit corporations formed with private capital. Experience during the past 20 years has shown that:

(1) National agricultural credit corporations did not materialize as anticipated and eventually the authority for their creation was terminated.

(2) Many privately financed agricultural credit corporations and livestock loan companies organized under State laws for the purpose of extending credit to agriculture not only fail to expand but tend to contract during periods of general financial stress which is the time that the farmer is least able to finance himself.

(3) Privately financed institutions in many cases tend to be highly selective as to risks accepted, at times leaving certain strata of the farm population without ample credit opportunities.

(4) The geographical area served by a privately financed agricultural credit institution may be sufficiently limited so that it is subject to the vagaries of unseasonable weather, flood, drought, and other catastrophes, and is thus unable to provide continuing credit service.

(5) Many agricultural credit corporations failed. Inadequate supervision from a central agency resulted in (a) organization of these corporations without adequate capital, (b) weak and inexperienced management, (c) limited earning capacity, (d) extension of too much credit relative to paid-in capital, and (e) organization of these corporations as affiliates of banks as a means of getting rid of their own undesirable loans.

As a result of these weaknesses, the amount of capital attracted to these agricultural credit corporations and livestock loan companies was relatively small, thus preventing this system from providing adequate short-term and intermediate credit service to farmers prior to the establishment of the production credit associations.

WAR FINANCE CORPORATION

Authority for organization

By act of Congress approved April 5, 1918, the War Finance Corporation was created (40 Stat. 506) as an agency of the United States Government. Under this authority the corporation was to have an existence for a period of 10 years, but this period was extended to 11 years by an act approved April 4, 1928 (45 Stat. 404). Further provisions prevented the corporation from exercising any of the powers conferred by the act after December 31, 1924, except such as were incidental to the liquidation of its assets and the winding up of its affairs. It was further provided that liquidation of the assets remaining as of April 4, 1929, and the winding up of the affairs of the corporation were transferred to the Secretary of the Treasury.

Structure and management

The act provided that the corporation was to be managed by a board of directors consisting of the Secretary of the Treasury as chairman of the board and four other persons to be appointed as directors by the President of the United States. The corporation was vested with the usual powers incidental to corporate existence, with the principal office prescribed by law to be located in the District of Columbia. The board of directors was empowered to establish agencies and branch offices in any city or cities of the United States.

The authorized capital stock of the corporation was $500,000,000, all of which was subscribed by the Secretary of the Treasury in behalf of the United States. This paid-in capital could be supplemented by the issuance of bonds, not to exceed six times the paid-in capital stock.

The United States assumed no liabilities for payment of any bond or other obligation incurred by this corporation. The maturity of any bonds issued was to be not less than 1 year nor more than 5 years from the respective dates of issue, redeemable before maturity at the option of the corporation as determined by the board of directors. The interest rate on all bonds issued was to be determined by the board of directors subject to approval by the Secretary of the Treasury. Bonds issued constituted a first claim against the assets of the corporation and the corporation was prevented from pledging or mortgaging any of its assets. The bonds could be issued at par in payment of advances authorized by the act or sold to the public at a price or prices determined by the board of directors with the approval of the Secretary of the Treasury.

Objective

This legislation was enacted because it was felt that the heavy borrowing by the Federal Government during World War I were likely to absorb so large a portion of available funds that essential industries might find themselves unable to secure loans for adjusting their operations to the increased demands occasioned by the war. Secretary of Treasury W. G. McAdoo stated, prior to passage of the act, that, "The Government's borrowing, particularly during the period immediately preceding and following each Liberty Loan, have tended to preempt the credit facilities of the banks and often to prevent them from giving needed and customary help to quasi-public and private enterprises."[1]

[1] Establishment of a War Finance Corporation. Hearings before the Committee on Finance United States Senate, 65th Congress, 2nd Session, page 8.

Lending policies

Section 7 of the act of April 5, 1918, provided loan assistance by the War Finance Corporation through banks as intermediaries to various eligible enterprises. During the summer of 1918, it became evident that other industries besides public utilities and war industries were in need of financial assistance from the corporation. On November 21, 1918, (40 Stat. 1045) the act was amended "to provide further for the National security and defense by stimulating agriculture and facilitating the distribution of agricultural products." The directors were empowered to make advances to banks against agricultural loans or loans based on livestock to the extent of 100 percent of the amount of such loans held by the borrowing banks without requiring any security other than that pledged with the banks by the original borrowers. Insofar as agriculture was concerned, the following policies were pursued:

(1) Aid to cattle raisers - Advances to banks against agricultural loans or loans based on livestock to the extent of 100 percent of the amount of such loans held by the borrowing banks without requiring any security other than that pledged with the banks by the original borrowers.

(2) Aid to canning industry - Advances to banks upon the seucrity of warehouse receipts for the canned goods, in order that the obligations of the canning companies to farmers could be promptly met and thus aid in obtaining maximum output.

(3) Aid to crop moving - The corporation announced the policy in August 1918, that it was prepared to make advances to banks for facilitating the distribution of agricultural products. After November 1918, it was the policy to advance to banks 100 percent on the amount of such crop-moving loans, without requiring any other security other than that pledged with the banks by the original borrowers.

Section 9 of the act of April 5, 1918, established the following direct lending policy, with an express stipulation that the aggregate amount of the advances made under this section shall in no case exceed at any one time an amount equal to 12 percent of the sum of (1) the authorized capital stock of the corporation plus (2) the aggregate amount of bonds of the corporation authorized to be outstanding at any one time when the capital stock is fully paid in.[1] Each direct loan could be made for periods not exceeding 5 years to be secured by 125 percent of the amount advanced by the War Finance Corporation.

(1) Advances on warehouse receipts - Since the Government was prohibited from making payments upon commodities in advance of deliveries, a cooperative system of warehousing was devised and the corporation agreed to make advances on the security of warehouse receipts to aid production of foods. To aid the wheat producers through the Food Administration Grain Corporation (a corporation charged by the President of the United States by an executive order dated June 21, 1918, to make effective and maintain the price of wheat to the growers at not less than the guaranteed basis provided in the President's proclamation of February 21, 1918), the War Finance Corporation's policy was to loan upon the security of warehouse receipts. These loans were secured by negotiable instruments conveying or securing title to wheat stored within the United States. The value of the security was determined on the basis of the Chicago wheat prices as fixed from time to time by proclamation or Executive order of the President and to be equivalent to at least 125 percent of the amounts of outstanding loans.

[1] 40 Part I, Public Laws, 65th Congress, Sess. I, Ch. 45, page 509.

(2) Advances to cattle raisers - During the month of August 1918, the Board of Directors, at the suggestion of the Secretary of the Treasury, investigated the necessity of direct aid to the cattle industry in the West and Southwest and especially in the drought-stricken areas of those sections. Certain directors of the corporation attended a conference at Kansas City, Missouri, with officers of the Federal Reserve Banks of Kansas City and Dallas, and cattle raisers and representatives of cattle-loan companies, at which the question of extending Government aid was discussed.

In the drought-stricken sections, stock cattle were being sold for slaughter, and in other sections where more favorable climatic conditions prevailed, breeding cattle were being sold to packers because of the inability of owners to hold them. Banks and cattle-loan companies were unable to extend their usual credits to cattlemen because of inability to place cattle paper through their accustomed channels due to the very heavy volume of Government financing. To preserve the breeding stock and to prevent a serious shortage in the meat supply, the policy of direct loans to cattle raisers was established when, in the opinion of directors, such direct loans were necessary.

Section 21 of the act of Congress of March 3, 1919, allowed the War Finance Corporation to make advances to assist in the exportation of domestic products to foreign countries. These loans could not exceed $1,000,000,000 outstanding at any one time, and were to be made either directly to American exporters or to American banking institutions which had made advances to any person, firm, corporation, or association. The maximum maturity of such loans was 5 years. Loans to assist exportation of domestic products to foreign countries were made until May 10, 1920, when, at the request of the Secretary of the Treasury, further advances were suspended. The reasons for elimination were set forth by the Secretary as follows: "Obviously, private interests are not failing to finance exports. In the circumstances it does not seem necessary now that the Government should continue to intervene to stimulate exports, particularly as it is compelled to resort from time to time to temporary borrowing in part to meet its present obligations. In the existing circumstances it seems clear that the Government should enter the borrowing field as seldom as possible, and then for the lowest possible terms. It would be a question whether the Government should continue to aid and stimulate exports, considering their present volume privately financed even if the Treasury had surplus funds. It seems clear to me that it should not continue to do so when the Treasury has to resort to borrowing from time to time to time." [1]

Though the loan activities to finance exports were suspended in May 1920, the Congress on January 4, 1921, adopted a joint resolution (Senate Joint Resolution 212, 41 Stat. 1084)[1] which directed the Secretary of the Treasury to revive its activities with the view of assisting in the financing of the exportation of agricultural and other products to foreign countries.

[1]Liquidation of the War Finance Corporation, Jan. 21, 1943, page 11.

Recognizing the changed policy as indicated by Congressional resolution, the corporation offered to make advances to exporters for the purpose of carrying stocks of American cotton in foreign warehouses in addition to advances on cotton stored in America which was under contract for sale to foreigners.

In all these transactions, it was part of the lending policy to exercise the greatest care that the funds advanced by the corporation solely for the purpose of orderly marketing were not an encouragement to holding for speculative purposes.[1]

Following the announcement of approval of a loan application of a cooperative association in Mississippi during July 1921, applications were approved from cooperatives in Texas, Oklahoma, Arizona, in addition to banking institutions in the South where assistance was needed in financing large quantities of cotton for export.

Lending policies under the export powers of the corporation were not confined to cotton. The corporation agreed to make advances to cooperative associations in the Northwest on wheat intended for export, on dried fruits and on canned fruits and vegetables to cooperative associations in California, on tobacco to exporters and banking institutions, and on condensed milk and meat products to banking institutions.[2]

The rates of interest charged borrowers of the War Finance Corporation were as follows: In the case of direct loans, the act provided that the "rate shall not be less than 1 percent per annum in excess of the rate of discount for 90-day commercial paper prevailing at the time of the advance at the Federal Reserve Bank of the district in which the borrower is located."[3] Minimum rates on direct loans were therefore from 5-3/4 to 6 percent per annum, and the directors found it necessary to fix a rate approximating the going rate for loans of the class represented by the application. On direct loans to cattle raisers in Texas the prevailing rate of 8 percent was charged in order to avoid any unnecessary diversion of the business from normal channels.

After long and careful study, the War Finance Corporation proposed certain amendments to the original act, and these amendments were embodied in what is known as the Agricultural Credits Act approved August 24, 1921 (42 Stat. 181). This broadened the powers of the corporation by giving it authority to make advances not only to exporters and banking institutions, but also to dealers in and handlers of agricultural products, including cooperative associations, for the purpose of financing the carrying of such products until they could be exported or sold in an orderly manner.

Under the Agricultural Credits Act of August 24, 1921, as amended June 10, 1922, (42 Stat. 634) the War Finance Corporation could not make direct loans to individual producers.[2] Loans thereafter could be made to cooperative associations and to local banking institutions with which farmers were accustomed to doing business.

[1]Liquidation of the War Finance Corporation, Jan. 21, 1943, page 13.
[2]Liquidation of the War Finance Corporation, Jan. 21, 1943, page 18.
[3]First Annual Report of the War Finance Corporation, No. 30, 1918. page 7

On January 1, 1925, in accordance with the act of February 20, 1924, (43 Stat. 14) the corporation entered the period of liquidation. Banks and loan companies were encouraged to make arrangements with permanent agencies for financing their operations as soon as it was possible to do so, utilizing the regular banking channels or the facilities of the Federal intermediate credit banks.[1]

Accomplishments

The table on page 6 shows both the direct and indirect lending activities of the War Finance Corporation.

All of the total advances under section 7 of the War Finance Corporation Act were repaid. On the direct advances allowed under section 9 of the act, no losses occurred on wheat and canners warehouse receipts. Of the loans advanced direct to cattle raisers, the losses amounted to only $13,091, or less than 0.2 percent of total cattle advances which amounted to $7,869,549.

After resumption of loan activities in January 1921, the advances for agricultural and livestock purposes amounted to $296,987,962 on which the losses amounted to only $1,841,203, or 0.6 percent of the total amount advanced.

The service rendered by the War Finance Corporation cannot be measured by any mere statement of its advances. Aside from the aid given by the corporation and the application of its funds, it exerted an influence which was helpful from a psychological point of view. The large funds at its command tended to inspire confidence and to facilitate the financing of transactions through ordinary banking channels.[2] The need during the war period for financing the conservation and movement of crops and the preservation of fruits and vegetables used in the canning industry and the necessity for relief of the cattle-raising industry became increasingly apparent.[3] In each case it was found that announcement by the corporation of its intention to afford relief by advancing funds to banks to enable them to make loans aided in the restoration of confidence, so that the amount of money actually advanced by the corporation was for less than originally estimated.

Following the war, the assistance rendered by the corporation was an important factor in improvement of the market for cotton during the post-war depression.[2]

[1]Liquidation of the War Finance Corporation, Jan 21, 1943, page 21.
[2]Liquidation of the War Finance Corporation, Jan 21, 1943, page 14.
[3]Liquidation of the War Finance Corporation, Jan. 21, 1943, page 4.

Table 1 - Total advances made by the War Finance Corporation from May 20, 1918 to June 30, 1939, inclusive[a]

	Advances	Repayments	Differences
Advances under the war powers of the corporation			
Sec. 7 - To banks, bankers, and trust co.'s			
To aid canning industry	$2,000,000.00	$2,000,000.00	-
To aid crop moving	113,500.00	113,500.00	-
To aid agriculture	67,000.00	67,000.00	-
To aid cattle raisers	404,660.12	404,660.12	-
To aid public utilities	7,275.00	7,275.00	-
To aid industrial companies	2,125,942.49	2,125,942.49	-
Total	4,718,377.61	4,718,377.61	-
Sec. 8 - To savings banks and building and loan associations	550,000.00	550,000.00	-
Sec. 9 - Direct advances:			
Warehouse receipts - Canners	211,500.00	211,500.00	-
Warehouse receipts - Wheat	25,000,000.00	25,000,000.00	-
To railroads	204,794,520.00	204,794,520.00	-
To public utilities	39,797,400.00	39,621,537.13	$175,862.87
To industrial companies	23,814,674.24	23,418,550.14	396,124.10
To cattle raisers	7,869,548.91	7,856,458.23	13,090.68
Total	301,487,643.15	300,902,565.50	585,077.65
Sec. 9 - Expense advances on cattle loans	15,190.70	14,790.70	400.00
Total advances under the war powers of the corporation	306,771,211.46	306,185,733.81	585,477.65
Advances for export purposes			
Sec. 21 - Advances for export purposes prior to resumption of activities in Jan. 1921	46,347,654.27	46,347,654.27	-
Total advances under war powers, including export advances prior to resumption of activities in January 1921	353,118,865.73	352,533,388.08	585,477.65
Advances after resumption of activities in January 1921			
Sec. 21 and 22 - Advances for export purposes after resumption of activities in January 1921	38,653,539.82	38,653,197.17	342.65
Sec. 24 - Advances for agricultural and livestock purposes under the act of August 24, 1921, as amended	296,987,962.47	295,146,759.15	1,841,203.32
Sec. 24 - Expense advances on above agricultural and livestock loans	1,670,731.82	1,665,646.02	5,085.80
Total advances after resumption of activities in January 1921	337,312,234.11	335,465,602.34	1,846,631.77
Grand total advances	690,431,099.84	687,998,990.42	2,432,109.42

[a] Liquidation of the War Finance Corporation, page 25.

FEDERAL CROP, FEED, AND SEED LOAN FINANCING

Authority

In 1918 the Federal Government made its first venture in direct seed loan financing. No special appropriation was made at the time, but President Wilson authorized on July 26, 1918, that $5,000,000 out of the total of $50,000,000 appropriated for national defense be placed at the disposal of the Department of Agriculture. Following this first authorization, crop and feed loans continued to be made at intervals. Since 1931 they have continued to be made on a national basis each year. From 1918 to 1937, the various loan authorizations made the loans available for only a limited period of time, generally for the year in which the loan was authorized.[1]

On March 27, 1933, the President by Executive Order No. 6084, transferred the functions of the Secretary of Agriculture "under all provisions of law relative to the making of advances or loans to farmers, fruit growers, producers, and owners of livestock and crops" and the "crop production loan office and the seed loan office of the Department of Agriculture, and the functions thereof," to the Governor of the Farm Credit Administration.

An act of January 29, 1937 (50 Stat. 5) authorized an appropriation of $50,000,000 to enable the Governor of Farm Credit Administration "to make loans to farmers in the United States (including Hawaii and Puerto Rico), for fallowing, for planting, for cultivating, for producing crops, for harvesting of crops, for supplies incident and necessary to such production or harvesting, and for feed for livestock, or any of such purposes" under such regulations as the Governor of the Farm Credit Administration may prescribe.[2]

The above act of January 29, 1937 was construed to be permanent legislation[2] and on February 4, 1938 (52 Stat. 26) Congress provided that loans shall only be made to "borrowers, who, in the opinion of the Governor of the Farm Credit Administration, will undertake in good faith to repay such loans in accordance with their terms, and no such loans shall be made in any State unless the Governor of the Farm Credit Administration has reasonable assurance that State and local authority will take no action which will encourage the borrower residing therein to evade payment of such obligation."[2]

Structure and management

When first authorized in 1918, the funds placed at the disposal of the Department of Agriculture were handled by the Federal Land Banks. From 1921 through 1932, seed loans were administered by the Department of

[1] "Financial Statements of Certain Government Agencies," Senate Doc. 172, Part I, 76th Congress, 3rd Session, page 151.

[2] "Financial Statements of Certain Government Agencies," Senate Doc. 172, Part I, 76th Congress, 3rd Session, page 152.

Agriculture. Since 1933, when supervision was transferred to the Farm Credit Administration, they have been handled by this agency. After March 27, 1933, Executive Order No. 6084, the crop productions loan office and seed loan office became part of Farm Credit Administration and functioned as a division therein. Although the Emergency Crop and Feed Loan Division is a part of Farm Credit Administration, it is operated as a separate unit. The activities are carried forth by (1) the central office organization, (2) regional office organization, (3) field force organization.

In carrying out the central office functions, all activities are supervised by a director who is assisted by the services of the legal, accounting, personnel, and other service departments of the Farm Credit Administration.

The field activities of the Emergency Crop and Feed Loan Division are carried on by 11 regional offices throughout the Nation. With a view to facilitating the coordination of their activities with other agencies of the Farm Credit Administration, 8 of the 11 regional offices are situated in cities where other units of the Farm Credit are located. Branch offices are also located in Puerto Rico ~~and Hawaii~~ under supervision of regional offices at Baltimore ~~and Salt Lake City, respectively~~.

The regional office organization is under the direction of a regional manager whose principal assistants are a credit and collection manager, regional attorney, and chief of fiscal operations.

The regional manager has administrative responsibility for the operations of the regional office in making and collecting of crop and feed loans in States under his jurisdiction.

As a part of the regional office organization, an adequate force of field supervisors is maintained in order to service the borrowers of the Emergency Crop and Feed Loan Division, conduct field collection activities in connection with outstanding loans, and carry out in the field such new loan programs as are authorized from time to time. Each field supervisor is assigned a specific territory, consisting of one or more counties, depending on the number of borrowers and local conditions within the territory.

The field personnel within each State is under the immediate supervision of a State supervisor who works under direct instructions from the regional office and acts as a personal representative of the regional manager in the field.

Objective

In the year 1918 the joint statement of the United States Treasury and the United States Department of Agriculture said the object was "to assist in tiding the farmers over the period of distress to enable them to remain on their farms to plant such an acreage as may be determined to be wise under all the conditions with a view to increase the food supply of the Nation and to add to the national security and defense."[1]

[1]Technical Bulletin 539, U. S. Department of Agriculture, page 3.

Early appropriations prior to 1932 were made with the objective of granting Federal assistance only to limited areas within very few States, and were all predicated upon some climatic disturbance such as drought, storm, or hail. With the exception of three loan appropriations prior to 1932 - 1924, 1926, and 1929 - need for Federal funds was based on drought conditions. In the 3 years mentioned, the objective was to extend loan assistance on the basis of hail, flood, or storm.

The year 1931 was the first year that loan funds were to cover an extensive area, a development due to the widespread drought of 1930. A further expansion was made with the objective of lending for "general rehabilitation" and to purchase feed for livestock.

After 1932 the objective expanded to make loans available in all areas where farmers are unable to obtain credit from the usual source.[1]

Lending policies

Since the origin of this program of direct loan financing, security for loans has been obtained in all cases. Prior to 1931, the statutes limited such security to crop liens or chattle mortgages on the crop planted with the aid of Federal funds. Beginning in 1932 the statutes did not limit the extent of the security and first liens were requested on all crops notwithstanding the fact that only a portion of such crops might be financed with Federal funds. In all cases, the farmer has had to sign a statement on his application form to the effect that he could not obtain credit elsewhere and that he did not have the resources with which to finance the operation without Federal aid. The present policy is to refer all applications to a Production Credit Association to determine if the applicant is eligible for a PCA loan.

Interest rates on these direct loans were at the rate of 6 percent when the program started in 1918. Thereafter and prior to 1932, the rate was 5 percent. Beginning in 1932 a rate of 5½ percent was charged. The provision of loans made up to 1930 specified that interest was to be paid at maturity. From 1930 to 1932, inclusive, and (up to 1934) it was the prevailing practice to deduct interest in advance.[2]

The rate now in effect, fixed by the act of Congress approved January 29, 1937 (50 Stat. 5) is 4 percent per annum. In regard to the present act of Congress under which crop and feed loans are now made, the lending policies provide:

(1) That loans may be made to all eligible farmers in the United States, including Hawaii and Puerto Rico.

(2) That loans are to be made only to those applicants who are unable to obtain a loan from other sources.

[1]Technical Bulletin 539, U. S. Department of Agriculture, page 4.
[2]U. S. Department of Agriculture Technical Bulletin 539, page 18

(3) That preference should be given to applications of farmers whose cash requirements are small.

(4) That the loans are to be secured by a first lien on the crops financed or the livestock to be fed and that the maximum amount to be loaned to any one borrower shall not exceed $400.

The field lending operations are built around the following:

(1) County loan office, where the farmer applies for a loan and is assisted in preparation of his application.

(2) County loan committee, which contributes its services without cost to the Government and which reviews the loan application from the general standpoint of the applicant's status as a resident and farmer in the community.

(3) Production Credit Association, which reviews the application for the purpose of determining whether the farmer could qualify for a production credit association loan rather than that of an emergency crop and feed loan.

Accomplishments

The following table lists the loans made from the beginning, for the years 1918-41, 1942, 1943, and balances outstanding as of December 31, 1943, by Farm Credit districts.

Three types of farm situation were used, according to Norman J. Wall, as justification for the seed loan program.[1] First, those who were unable to obtain credit because of natural hazards such as drought, flood, hail, or storm which had destroyed their previous year's crop; second, those who were unable to get credit because local credit agencies had failed or were unable to furnish enough credit to meet the community's needs; and third, those who because of a variety of reasons did not have sufficient resources to warrant other agencies advancing them credit.

From 1918 to 1943, 3,906,046 loans were made in the amount of $452,620,414 with an average size loan of $116. As of December 31, 1943, $101,137,204 or 24.4 percent was outstanding on the amount loaned from 1918 to 1941. The largest losses sustained have been in the Northern Great Plains Area.

During 1934 and 1935 the Emergency Crop and Feed Loan Offices, in addition to their usual activity, extended more than 70 million dollars in the form of drought relief loans. These loans were made for specified sums of money, and were secured by a personal note from the farmer. They should not be confused with the grants of seed and feed, nor with the feed extended in return for the farmers' labor or specially set-up work projects. In fact, during these 2 years, particularly in the primary drought areas, there was considerable local autonomy and variation in meeting the worst effects of the drought. To date about 40 percent of the amount of credit extended has been collected.

[1] Wall, Norman J. - Federal Seed-Loan Financing. USDA, Bulletin 539, pages 14-18.

Table 2 - Loans made 1918-41, 1942, and 1943, and balances outstanding, December 31, 1943 - by Farm Credit districts

District number	Loans made						Balances outstanding, December 31, 1943					
	1918-41		1942		1943		Amount			Percent of loans made		
	Number	Amount	Number	Amount	Number	Amount	1918-41 loans	1942 loans	1943 loans	1918-41 loans	1942 loans	1943 loans
1	24,904	5,097,149	2,417	630,850	2,551	731,860	809,931	62,284	275,381	15.9	9.9	37.6
2	185,100	19,773,887	13,891	2,542,591	14,970	2,641,466	2,743,815	315,301	1,635,047	13.9	12.4	61.9
3	893,962	89,785,484	40,616	5,459,600	39,816	5,921,554	7,433,432	131,675	696,350	8.3	2.4	11.8
4	259,932	18,687,261	8,490	726,345	7,559	810,390	2,299,865	21,361	338,336	12.3	2.9	41.7
5	573,345	46,839,285	24,156	2,636,225	20,161	2,636,655	4,530,582	111,671	330,849	9.7	4.2	12.5
6	383,896	33,608,079	8,823	1,029,110	8,474	1,188,915	4,123,050	46,865	285,430	12.3	4.6	24.0
7	353,818	55,455,815	7,143	1,262,075	4,010	895,500	32,556,416	57,313	137,815	58.7	4.5	15.4
8	200,342	36,485,944	4,151	766,210	2,649	591,900	16,954,057	56,949	205,679	46.5	7.4	34.7
9	228,938	31,369,647	8,507	1,346,615	6,799	1,218,610	11,185,506	149,068	621,080	35.7	11.1	51.0
10	348,690	39,131,378	14,774	2,179,340	11,449	1,865,770	6,412,609	161,993	523,936	16.4	7.4	28.1
11	31,322	5,174,128	2,055	508,500	1,216	331,325	590,339	71,832	155,733	11.4	14.1	47.0
12	146,780	28,198,159	2,686	612,440	1,681	436,000	10,398,851	22,880	114,770	36.9	3.7	26.3
Total, all districts	3,631,029	409,606,216	[a]137,709	[a]19,699,901	121,335	[b]19,269,945	100,043,453	[a]1,209,192	5,320,406	24.4	6.1	27.6
1918-19 loans and adjustments	15,973	4,044,352	-	-	-	-	1,093,751	-				
Grand total	3,647,002	413,650,568	[a]137,709	[a]19,699,901	121,335	[b]19,269,945	101,137,204	[a]1,209,192	[b]5,320,406	24.4	6.1	27.6

[a] Includes orchard rehabilitation loans.

[b] Includes loans for the 1944 crop season made during the latter part of 1943.

Authority for organization

By act of Congress approved June 15, 1929, (46 Stat. 11, 12 U.S.C. 1141 et seq.) the Federal Farm Board was created and an appropriation of $500,000,000 was authorized as a revolving fund. On October 1, 1929, the President transferred to the Federal Farm Board, by Executive Order No. 5200, the Division of Cooperative Marketing of the Bureau of Agricultural Economics of the Department of Agriculture. By Executive Order No. 6084, March 27, 1933, the office of the appointed members of the Federal Farm Board, except the office of chairman, were abolished, its name changed to Farm Credit Administration, the title of the chairman of the board, changed to Governor of the Farm Credit Administration, and the Governor vested with all of the powers and duties of the Federal Farm Board. The Agricultural Marketing Act has since been under authority of the Governor of the Farm Credit Administration.

Structure and management

The Federal Farm Board was organized as an independent agency of the Government, with privileges and immunities ordinarily accorded an instrumentality of the United States. Eight members comprised the board appointed by the President by and with the advice and consent of the Senate, and the Secretary of Agriculture, ex officio, to administer the act. The President was directed to give due consideration to having the major agricultural commodities produced in the United States fairly well represented.

Operations were carried on from Washington, D. C., with management delegated to various sections and divisions upon the basis of experience in the type of work involved.

Objective

It was declared to be the policy of Congress "to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, so that the industry of agriculture will be placed on a basis of economic equality with other industries,[1] and to that end to protect, control, and stabilize the currents of interstate and foreign commerce in the marketing of agricultural commodities and their food products; (1) by minimizing speculation; (2) by preventing inefficient and wasteful methods of distribution; (3) by encouraging the organization of producers into associations for greater unity of effort in marketing, and by promoting the establishment and financing of producer-owned and producer-controlled cooperative marketing associations; (4) by aiding in preventing and controlling surpluses in any agricultural commodity through orderly production and distribution."

Among other objectives, the Board was to (1) establish advisory committees with respect to agricultural commodities; (2) promote cooperative marketing of agricultural commodities; (3) encourage organization and development

[1] Agricultural Marketing Act. Public No. 10 - 71st Congress, Section 1 (a)

of cooperative associations; (4) make reports as to crop prices and related information; (5) investigate conditions of over-production of agricultural commodities; (6) make loans to cooperative associations and stabilization corporations; (7) assist in forming producer-controlled clearing houses and associations for distribution of agricultural commodities; and (8) insure cooperative associations against loss through price decline in agricultural commodities (46 Stat. 11, 12 U.S.C. 1141).

Lending policies

Section 7 (a) and (d) in addition to Section 8 (a) of the act of June 15, 1929, provided the policy of making loans from the revolving fund to any cooperative association.[1] Section 9(a) permitted loans to stabilization corporations. Loans to any cooperative association or stabilization corporation were to bear interest at a rate of interest per annum equal to the lowest rate of yield (to the nearest one-eighth of 1 percent) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal-savings bonds) and outstanding at the time the loan agreement is entered into or the advance is made by the board. In no case, however, could the interest rate exceed 4 percent per annum on the unpaid principal.

The lending policies to any cooperative or stabilization corporation were to be made upon such security as the judgment of the board deemed necessary. For the guidance of the board, Section 8(d) specified that no loans were to be made if in the board's judgment the loan agreement might increase unduly the production of any agricultural commodity of which there is commonly produced a surplus in excess of annual marketing requirements.[2]

Accomplishments

The following table summarizes by commodities the loans which the Federal Farm Board made from the $500,000,000 revolving fund, the repayments credited during the Board's existence, and the balance outstanding at the close of its affairs.

Sixty-five percent of the gross advances which the Federal Farm Board made from the revolving fund were made to the grain and cotton stabilization corporations, in efforts to maintain price levels for the producers of these commodities. Of the $466,242,667.61 of unpaid loan balances when the farm board wound up its affairs, $285,131,607.81 were owed by these two corporations.

From its organization until it was succeeded May 26, 1933, by the Farm Credit Administration, the Federal Farm Board lent a total of $1,148,906,533.29 for the aid of agriculture. The fact that loans made greatly exceeded the fund is due to the turn-over of money which was loaned, repaid, and loaned again.

[1] Sec. 15(a) of Agricultural Marketing Act stated, "As used in this Act, the term "Cooperative Association"means any association qualified under the Act entitled "An Act to authorize associations of producers of agricultural products," approved February 18, 1922," page 70, 1st Annual Report of Federal Farm Board.

[2] First Annual Report of Federal Farm Board, page 67.

Table 3 - Distribution of Federal Farm Board's Loans, by commodities
(Data from the Comptroller General of the United States)[a]

Commodity	Number of borrowers	Loans	Payments	Balances
Grain	10	$635,554,299	$430,773,130	$204,781,169
Cotton	17	409,266,315	201,848,068	207,418,247
Fruit-vegetables	65	35,869,985	18,978,677	16,891,308
Wool	2	31,477,898	15,302,954	16,174,944
Dairy products	37	18,764,990	7,215,516	11,549,474
Livestock	3	7,295,072	3,186,558	4,108,514
Tobacco	8	5,917,552	3,480,196	2,437,355
Seeds	6	1,484,870	194,307	1,290,563
Rice	3	1,379,707	697,054	682,653
Poultry products	12	1,271,299	862,452	408,848
Miscellaneous	4	624,546	124,954	499,593
Total	167	1,148,906,533	682,663,866	466,242,668

[a] "Activities and Operations of Federal Farm Board" 74th Congress, First Session, Report No. 1456, page 2.

For several years prior to 1929 when the revolving fund referred to herein was created, the disadvantages of agriculture as compared with other industries had been recognized and the subject received extensive study and discussion. It was the opinion of the Congress that action should be taken to place agriculture on a basis of economic equality with other industries. Existing conditions had resulted in the prices of farm products being out of line with the prices of things the farmers had to buy. So far as legislative help was concerned, it was agreed that the basic trouble was upon the business rather than the production side of agriculture - the disposition of the product, not its creation. Congressional hearings in connection with the legislation stressed this side of the problem.[1] The board set up its stabilization[2] program in response to urgent public demand; and the prominence sometimes given to the Board's losses ought not to obscure the value of the assistance afforded by the revolving fund to scores of small-scale cooperatives who punctiliously met their obligations.[3]

The Farm Credit Act of 1933 (48 Stat. 265) under which the Central Bank for Cooperatives and the district banks for cooperatives were established, provided that their capital should be furnished from the revolving fund. It was further provided that loans by the banks to cooperative associations should be made under the terms and conditions specified in the Agricultural Marketing Act as amended by Congress. Thus the banks superseded the revolving fund and there has been a close relationship between the agencies in the line of servicing of loans, refinancing and other problems involved in handling loans to cooperative associations.[4]

[1] Financial Statements of Certain Government Agencies - 76th Congress, 3rd Session, 172 Part I, page 146.

[2] Activities and Operations of Federal Farm Board. Mr. McNary from the Committee on Agriculture and Forestry, 74th Congress, 1st Session, Report No. 1456, page IV.

[3] Activities and Operations of Federal Farm Board. Mr. McNary from the Committee on Agriculture and Forestry, 74th Congress, 1st Session, Report No. 1456, page V.

[4] Financial Statements of Certain Government Agencies - 76th Congress, 3rd Session, 172, Part I, page 149.

FARM SECURITY ADMINISTRATION[1]

Authority for organization

The Resettlement Administration, of which the present Farm Security Administration is the successor, was created on April 30, 1935, by Executive Order No. 7027 issued by the President, under the authority vested in him by the Emergency Relief Appropriation Act of 1935 (49 Stat. 115; 15 U.S.C., Sup. 728), approved April 8, 1935. The Resettlement Administration was transferred to the Department of Agriculture by Executive Order No. 7530 on December 31, 1936. Eight months later, it became the Farm Security Administration by authority of the Secretary's Memorandum No. 706, dated September 1, 1937.[2] Additional functions were prescribed on September 30, 1937, when the Secretary's Memorandum No. 738 vested the administration with the responsibility for carrying out the farm-purchase program of title I and related provisions of title IV of the Bankhead-Jones Farm Tenant Act (50 Stat. 522; 7 U.S.C., Supp. 1000-1006).

Structure and management

The Farm Security Administration is a bureau in the Department of Agriculture. The program is administered by 12 regional offices in accordance with the policies and procedures formulated by the Washington Division. Regional offices have jurisdiction over State offices headed by State directors. These officials coordinate the work of the county and district supervisors below them, with the aid of associate State directors in charge of home management. The chief functions of State directors are to link the Farm Security program with that of other agencies in the State and to secure the educational material made available by the State agricultural colleges, and the Experiment Station and Extension Service of the Department of Agriculture. District supervisors and their staffs maintain district offices in which the work of the county supervisors is coordinated and particular problems of county personnel are worked out.

The assets of the Farm Security Administration belong to the United States. There is no participation in its ownership by any individual or class of individuals other than the Government. Similarly, the Farm Security Administration does not share in the ownership of any other Federal agency or corporation. In regard to the State rehabilitation corporations, the Farm Security Administration has merely been entrusted with the management of the residual assets of the corporation.[2]

[1] The present Farm Security Administration embodies a variety of activities, and historically is the outgrowth of various attempts by the Federal Government, dating back as far as 1933, to aid low income farmers. Its principal functions include rehabilitation loans and grants, tenant-purchase loans, rural homestead projects, debt adjustment, migratory labor camps, financing water facilities, defense housing, and the organization of medical and dental group care units.

[2] Financial Statement of Certain Government Agencies, Senate Document No. 172' Part I, 76th Congress, 3rd Session, page 239.

The Farm Security Administration operates as a Government bureau and not as a corporation. It issues no stocks or bonds nor guarantees or insures any private funds. Its proposed program is subject each year to scrutiny by the Bureau of the Budget and pertinent Congressional committees before funds can be made available.[1]

Objectives

The objectives of the Farm Security Administration can best be set forth by describing the three main phases of the program:

1. A program of rural rehabilitation under which (a) farmers handicapped by an uneconomic scheme of operations and unable to obtain adequate credit from any other source may obtain assistance in planning a better system of farming and may, in addition, obtain small loans to enable them to put the plans in operation; (b) farmers overburdened with debt are helped to negotiate voluntary adjustment with their creditors; and (c) farm families in extreme distress and without prospect of making a crop (as in drought or flood areas) may receive small grants for the purchase of food, clothing, and essentials of life.

2. A farm-purchase program under which tenants, sharecroppers, and farm laborers may receive loans for purchase and improvement of farms of their own.

3. A rehabilitation project program under which the Farm Security Administration is administering 148 part-time farming, full-time farming, migratory labor, and suburban home projects, including 14 begun by predecessor agencies which have been sold to associations.[2]

Lending policies

Rehabilitation loans to farm families - Farm owners, farm tenants, sharecroppers, farm laborers, or persons who, when last employed, obtained the major portion of their livelihood from farming operations are eligible for rehabilitation loans. At the time of application for either an initial or a supplementary loan, an applicant must be unable to get adequate funds from any other source. He must give evidence of previous managerial ability, resourcefulness, and good character; and must show that the land available to him is capable of providing a satisfactory return if intelligently worked. The applicant must agree to accept and follow farm and home management plans developed by the family with the assistance of the local county office staff. Standard rehabilitation loans are ordinarily made for periods from 1 to 5 years, although in certain special instances loans are granted for 10 years. Standard loans generally bear an interest rate of 5 percent. The rate may be lowered to 3 percent on loans for special purposes as, for example, participation in a water-facilities program. The standard rehabilitation loan is evidenced by one or more promissory notes, secured by a first lien on crops growing or to be grown by the borrower and a first lien on any

[1] Financial Statements of Certain Government Agencies, Senate Document No. 172, Part I, 76th Congress, 3rd Session, page 239.

[2] Financial Statements of Certain Government Agencies, Senate Document No. 172, Part I, 76th Congress, 3rd Session, page 240.

livestock or equipment purchased with the loan. Because of the nature of this program, security is not always the primary consideration in making a loan. The prospect for rehabilitation as determined by a sound farm and home plan is a more important factor. Repayment is arranged in accordance with the anticipated maximum ability of the borrower to repay. In instances of severe financial stress for the borrower, the first two annual payments on the principal of a 5-year loan may be deferred, and full payment subsequently made on amortization schedules worked out for the last 3 years. Loans in kind instead of cash advances are sometimes made to rehabilitation clients. This is one of the means by which the Government disposes of property which is acquired through repossession proceedings.[1]

Rehabilitation loans to cooperative associations of farmers - Loans may be made to new associations to establish cooperative services or to existing cooperative associations for purposes of refinancing or extending facilities or services where Farm Security clients are materially benefited. Specific purposes for which these loans are made are: (1) to acquire necessary property; (2) to construct buildings and purchase equipment; (3) to provide necessary operating capital; (4) to refinance or reestablish existing cooperative activities; and (5) to finance miscellaneous expenses. Services and facilities provided by the association which are acceptable for the purposes of the loan are: home conveniences, food conservation and processing, general farm needs, harvesting, processing, grading, packing and storing, marketing, purchasing, livestock improvements, handicrafts, medical and health services.[1]

Direct relief to farmers - Direct relief in the form of grants is provided for emergency conditions in stricken agricultural areas. An applicant's need is established when it is determined through personal investigation that his material and credit resources are inadequate to meet accepted subsistence requirements, to maintain health, or to prevent human suffering.[1]

Loans to farm tenant families for purchase of farms - Loans are made to farm tenants, farm laborers, sharecroppers, and others who are engaged in farming operations for the major portion of their income in order to help them purchase a farm. The main features of the tenant-purchase program are as follows: (1) the loans may be made up to the full purchase price of the farm including repairs and improvements; (2) only certain counties are designated as eligible, because of the high proportion of tenancy, for tenant-purchase loans; (3) the loans are made on first mortgage security for a period of not more than 40 years at an interest rate of 3 percent; (4) the original amortization plan provided for a payment on principal of 1.326 percent, or a total annual payment of 4.326 percent (later variable payment plans were prescribed); (5) more emphasis is placed on character, ability, experience, and likelihood of success than upon the financial worth of the selected borrower.

[1]Financial Statements of Certain Government Agencies, Senate Document No. 172, Part I, 76th Congress, 3rd Session, page 241.

The county committee, in addition to certifying the applicants, satisfies itself that the farm which the applicant wants to buy is adequate in size and facilities and that its price is in accordance with its earning capacity. Where the farm does not have ample buildings or contains buildings in need of repair, the loan is made to cover costs of construction or improvements. Amortization schedules as prescribed for borrowers vary in different circumstances. A variable payment plan is available for tenant purchase borrowers under which the borrower makes payment on his loan according to the amount of his yearly net cash income, paying more in good years and less in bad years. No final payment on these loans can be made in less than 5 years.[1]

Accomplishments

The lending activities of Farm Security Administration are shown in the following tables. Tables 4 and 5 show data by states on loans as of July 1, 1943. Tables 6, 7, 8, 9, and 10 summarize lending operations during previous years.[2]

[1]Financial Statements of Certain Government Agencies, Senate Document No. 172, Part I, 76th Congress, 3rd Session, page 241.

[2]Tables 4 and 5 taken from Agricultural Finance Review, November 1943. Subsequent tables in this section from Report of the Administrator of the Farm Security Administration 1941 (last printed report).

Table 4 - Farm Security Administration: Loans outstanding, number of individual borrowers, and amount of various types of loans, by States, July 1, 1943[a]

State and division	Loans to individuals: Number of individual borrowers[b]	Rural rehabilitation[c]	Constr. and farm development loans[d]	Tenant-purchase loans[e]	Loans to cooperatives[f]	Total loans
	Number	*1,000 dollars*				
Maine	4,052	5,091	102	125	16	5,334
New Hampshire	1,151	1,197	36	54	95	1,382
Vermont	1,064	1,096	76	174	12	1,358
Massachusetts	807	585	2	103	0	690
Rhode Island	235	194	0	10	0	204
Connecticut	386	410	0	90	0	500
New England	7,695	8,573	216	556	123	9,468
New York	5,007	5,481	200	1,329	661	7,671
New Jersey	1,334	1,605	16	373	312	2,306
Pennsylvania	5,477	5,010	135	2,151	820	8,116
Middle Atlantic	11,818	12,096	351	3,853	1,793	18,093
Ohio	25,261	7,071	202	4,230	1,045	12,548
Indiana	9,356	4,646	186	3,423	1,364	9,619
Illinois	12,919	6,991	115	5,706	721	13,533
Michigan	11,409	6,561	469	2,102	46	9,178
Wisconsin	25,003	7,014	1,396	2,745	246	11,401
East North Central	83,948	32,283	2,368	18,206	3,422	56,279
Minnesota	31,220	12,037	1,371	4,088	228	17,724
Iowa	12,352	7,738	92	6,605	1,015	15,450
Missouri	49,040	12,744	333	5,971	2,616	21,664
North Dakota	33,315	8,584	30	1,743	452	10,809
South Dakota	35,135	16,624	60	2,134	247	19,065
Nebraska	15,072	12,351	8	3,642	276	16,277
Kansas	15,024	11,365	63	3,921	351	15,700
West North Central	191,158	81,443	1,957	28,104	5,185	116,689
Delaware	275	220	4	196	0	420
Maryland[g]	1,658	1,347	16	774	14	2,151
Virginia	12,726	3,473	58	3,347	290	7,168
West Virginia	9,752	2,289	51	1,468	2,649	6,457
North Carolina	22,031	8,912	596	8,680	1,592	19,780
South Carolina	17,064	11,800	122	6,723	623	19,268
Georgia	34,690	21,436	211	11,004	1,685	34,336
Florida	14,344	6,899	132	903	1,206	9,140
South Atlantic	112,540	56,376	1,190	33,095	8,059	98,720
Kentucky	18,151	3,907	273	5,150	0	9,330
Tennessee	12,181	2,724	163	6,273	1,382	10,542
Alabama	38,846	22,660	259	9,103	2,460	34,482
Mississippi	38,681	18,653	945	10,111	1,774	31,483
East South Central	107,859	47,944	1,640	30,637	5,616	85,837
Arkansas	43,880	16,538	1,381	6,989	3,036	27,944
Louisiana	52,565	12,926	175	5,743	1,711	20,555
Oklahoma	31,747	18,389	447	7,707	88	26,631
Texas	62,565	30,928	669	16,502	2,265	50,364
West South Central	190,757	78,781	2,672	36,941	7,100	125,494
Montana	7,286	9,043	640	619	1,037	11,339
Idaho	5,459	5,815	465	631	330	7,241
Wyoming	5,083	8,255	240	256	55	8,806
Colorado	12,179	11,866	100	1,407	482	13,855
New Mexico	18,047	3,814	33	372	260	4,479
Arizona	1,845	1,409	5	172	249	1,835
Utah	4,662	3,471	90	231	204	3,996
Nevada	456	442	0	40	255	737
Mountain	55,017	44,115	1,573	3,728	2,872	52,288
Washington	6,002	5,969	451	843	49	7,312
Oregon	3,960	3,457	514	712	140	4,823
California	7,096	7,472	151	1,676	245	9,544
Pacific	17,058	16,898	1,116	3,231	434	21,679
UNITED STATES	777,850	378,509	13,083	158,351	34,604	584,547
Possessions[h]	14,673	1,793	0	2,805	323	4,921

[a] Includes loans from State corporation trust funds and from the Resettlement Administration, the predecessor of the Farm Security Administration.

[b] Number of borrowers with outstanding loans.

[c] Loans to individuals on and off projects, water facility loans, and project equipment loans.

[d] In addition to loans for construction of farmstead improvements, this includes farm development (special real estate) loans.

[e] Includes farm enlargement loans. This program was initiated about October 1942.

[f] Includes loans to defense relocation corporations.

[g] Includes small amount of loans in the District of Columbia.

[h] Alaska, Hawaii, Puerto Rico, and Virgin Islands.

Farm Security Administration. (Agri. Finance Review, November 1943.)

Table 5 - Farm Security Administration: Tenant-purchase loans approved, number of borrowers, acreage, cost of properties, and amount of loans, by States, cumulative from organization to July 1, 1943[a]

State and division	Borrowers	Acreage	Cost of properties: Original purchase price[b]	Cost of properties: Cost of added improvements	Cost of properties: Total cost	Cost borne by borrowers	Tenant-purchase loans
	Number	*Acres*	*Dollars*				
Maine	31	4,849	126,041	37,186	163,227	790	162,437
New Hampshire	10	1,466	45,126	15,448	60,574	0	60,574
Vermont	34	6,822	154,924	30,253	185,177	45	185,132
Massachusetts	22	2,000	104,586	27,392	131,978	386	131,592
Rhode Island	2	75	7,723	2,574	10,297	0	10,297
Connecticut	13	1,609	90,348	16,158	106,506	805	105,701
New England	112	16,821	528,748	129,011	657,759	2,026	655,733
New York	268	37,509	1,226,544	286,816	1,513,360	1,415	1,511,945
New Jersey	52	5,111	286,394	55,401	341,795	0	341,795
Pennsylvania	424	50,659	1,949,972	472,715	2,422,687	1,637	2,421,050
Middle Atlantic	744	93,279	3,462,910	814,932	4,277,842	3,052	4,274,790
Ohio	582	63,665	3,977,644	791,354	4,768,998	24,344	4,744,654
Indiana	422	47,631	3,287,558	614,214	3,901,772	11,269	3,890,503
Illinois	636	90,132	5,521,250	920,404	6,441,654	29,506	6,412,148
Michigan	314	37,699	1,936,059	457,377	2,393,436	4,857	2,388,579
Wisconsin	441	43,230	2,497,990	531,782	3,029,772	13,307	3,016,465
East North Central	2,395	282,357	17,220,501	3,315,131	20,535,632	83,283	20,452,349
Minnesota	542	97,069	4,164,791	613,585	4,778,376	31,478	4,746,898
Iowa	798	113,180	6,386,994	885,797	7,272,791	76,893	7,195,898
Missouri	1,095	171,126	5,131,785	1,547,729	6,679,514	8,082	6,671,432
North Dakota	342	179,020	1,672,710	578,943	2,251,653	2,078	2,249,575
South Dakota	339	154,707	2,027,392	487,262	2,514,654	3,497	2,511,157
Nebraska	426	121,339	3,636,356	550,761	4,187,117	11,214	4,175,903
Kansas	517	131,026	3,664,954	799,154	4,464,108	5,975	4,458,133
West North Central	4,059	967,467	26,684,982	5,463,231	32,148,213	139,217	32,008,996
Delaware	41	7,507	187,417	53,663	241,080	1,100	239,980
Maryland	140	21,327	763,215	195,552	958,767	300	958,467
Virginia	743	100,642	2,872,993	1,078,327	3,951,320	3,832	3,947,488
West Virginia	354	48,440	1,256,115	420,319	1,676,434	900	1,675,534
North Carolina	2,327	214,594	7,047,583	3,435,739	10,483,322	5,903	10,477,419
South Carolina	1,929	212,042	5,135,302	3,198,248	8,333,550	6,770	8,326,780
Georgia	3,444	430,526	7,547,387	5,629,133	13,176,520	7,760	13,168,760
Florida	285	45,249	612,308	521,581	1,133,889	510	1,133,379
South Atlantic	9,263	1,080,327	25,422,320	14,532,562	39,954,882	27,075	39,927,807
Kentucky	840	100,248	4,578,973	1,353,146	5,932,119	9,883	5,922,236
Tennessee	1,433	171,999	5,269,576	2,470,398	7,739,974	5,548	7,734,426
Alabama	2,859	295,297	6,805,521	5,036,091	11,841,612	14,966	11,826,646
Mississippi	2,760	243,258	8,001,137	5,094,912	13,096,049	355	13,095,694
East South Central	7,892	810,802	24,655,207	13,954,547	38,609,754	30,752	38,579,002
Arkansas	2,051	195,466	5,402,404	3,663,318	9,065,722	712	9,065,010
Louisiana	1,450	118,234	4,417,482	2,960,101	7,377,583	1,645	7,375,938
Oklahoma	1,464	269,113	6,707,200	2,090,346	8,797,546	18,195	8,779,351
Texas	2,534	538,340	14,138,722	4,646,663	18,785,385	27,752	18,757,633
West South Central	7,499	1,121,153	30,665,808	13,360,428	44,026,236	48,304	43,977,932
Montana	78	25,191	529,926	223,723	753,649	0	753,649
Idaho	94	11,388	677,896	161,170	839,066	650	838,416
Wyoming	33	7,007	197,688	74,091	271,779	2,805	268,974
Colorado	163	38,228	1,252,923	301,570	1,554,493	6,672	1,547,821
New Mexico	57	15,478	340,173	131,409	471,582	0	471,582
Arizona	29	1,472	168,342	22,090	190,432	975	189,457
Utah	39	3,515	208,401	54,305	262,706	185	262,521
Nevada	6	1,401	30,958	2,466	33,424	0	33,424
Mountain	499	103,680	3,406,307	970,824	4,377,131	11,287	4,365,844
Washington	115	16,859	785,747	174,902	960,649	1,750	958,899
Oregon	100	10,888	609,890	165,686	775,576	195	775,381
California	198	11,650	1,530,011	381,659	1,911,670	1,515	1,910,155
Pacific	413	39,397	2,925,648	722,247	3,647,895	3,460	3,644,435
UNITED STATES	32,876	4,515,283	134,972,431	53,262,913	188,235,344	348,456	187,886,888
Possessions[c]	683	24,343	2,507,385	1,097,651	3,605,036	4,175	3,600,861

[a] Includes farm enlargement loans, supplemental loans, and loans from State Rural Rehabilitation Corporation trust funds. The farm enlargement loan program was initiated about October 1942.

[b] Includes fees incidental to the purchase of properties.

[c] Hawaii and Puerto Rico.

Farm Security Administration. (Agri. Finance Review, November 1943.)

Table 6 - Rural rehabilitation loans and grants to individual farm families; amounts 1934-40, fiscal year 1941; number of farm families receiving loans and/or grants, by States, as of June 30, 1941

State	Loans and grants made									Families rec. loans and/or grants as of June 30, 1941					
	1934-40			1941			1934-41								
	Loans	Grants	Total	Loans	Grants	Total	Loans	Grants	Total	Total rec. loans	Rec. loans only	Rec. grants in addition to loans	Rec. grants only	Total rec. grants	Net total rec. either loans or grants or both
	1,000 dollars									Number					
Alabama	21,428	3,556	24,984	6,816	2,001	8,817	28,244	5,557	33,801	45,113	14,216	30,897	37,469	68,366	82,582
Arizona	1,911	1,441	3,352	513	782	1,295	2,424	2,223	4,647	2,208	1,453	755	10,121	10,876	12,329
Arkansas	21,405	1,394	22,799	5,014	203	5,217	26,419	1,597	28,016	48,884	29,577	19,307	42,676	61,983	91,560
California	8,205	4,150	12,355	2,055	1,909	3,964	10,260	6,059	16,319	7,805	4,281	3,524	32,977	36,501	40,782
Colorado	15,318	2,312	17,630	2,248	409	2,657	17,566	2,721	20,287	14,701	5,355	9,346	5,883	15,229	20,584
Connecticut	637	12	649	118	1	119	755	13	768	440	376	64	55	119	495
Delaware	152	15	167	52	3	55	204	18	222	229	157	72	25	97	254
Florida	7,444	1,260	8,704	1,120	114	1,234	8,564	1,374	9,938	16,608	6,800	9,808	17,744	27,552	34,352
Georgia	20,344	2,097	22,441	4,917	744	5,661	25,261	2,841	28,102	36,934	11,941	24,993	18,832	41,825	53,766
Idaho	7,784	585	8,369	2,054	223	2,277	9,838	808	10,646	7,045	4,313	2,732	4,587	7,319	11,632
Illinois	9,894	1,272	11,166	1,494	158	1,652	11,388	1,430	12,818	18,419	13,196	5,223	10,619	15,842	29,038
Indiana	8,109	231	8,340	1,435	60	1,495	9,544	291	9,835	14,559	12,092	2,467	1,157	3,624	15,716
Iowa	10,818	745	11,563	1,545	49	1,594	12,363	794	13,157	18,607	13,967	4,640	5,331	9,971	23,938
Kansas	15,361	7,189	22,550	2,884	366	3,250	18,245	7,555	25,800	20,682	6,496	14,186	15,844	30,030	36,526
Kentucky	6,075	1,904	7,979	2,113	269	2,382	8,188	2,173	10,361	27,165	18,115	9,050	20,152	29,202	47,317
Louisiana	14,101	495	14,596	4,501	269	4,770	18,602	764	19,366	54,461	42,268	12,193	2,458	14,651	56,919
Maine	7,646	104	7,750	1,434	62	1,496	9,080	166	9,246	4,462	3,454	1,008	140	1,148	4,602
Maryland	896	50	946	305	34	339	1,201	84	1,285	1,447	827	620	206	826	1,653
Mass.	829	30	859	150	4	154	979	34	1,013	804	625	179	159	338	963
Michigan	8,093	611	8,704	2,504	156	2,660	10,597	767	11,364	16,418	12,086	4,332	2,523	6,855	18,941
Minnesota	15,896	2,483	18,379	1,883	293	2,176	17,779	2,776	20,555	44,864	32,254	12,610	9,608	22,218	54,472
Mississippi	20,409	1,664	22,073	6,371	640	7,011	26,780	2,304	29,084	41,325	18,370	22,955	35,180	58,135	76,505
Missouri	19,183	5,332	24,515	3,054	444	3,498	22,237	5,776	28,013	63,660	36,804	26,856	51,418	78,274	115,078
Montana	10,668	5,449	16,117	1,661	513	2,174	12,329	5,962	18,291	8,937	3,381	5,556	15,807	21,363	24,744
Nebraska	16,804	7,470	24,274	2,512	886	3,398	19,316	8,356	27,672	18,397	6,100	12,297	17,929	30,226	36,326
Nevada	762	13	775	140	14	154	902	27	929	631	491	140	13	153	644
N. H.	1,359	43	1,402	213	12	225	1,572	55	1,627	1,438	1,116	322	42	364	1,480
New Jersey	1,664	105	1,769	262	15	277	1,926	120	2,046	1,353	801	552	139	691	1,492
New Mexico	5,334	1,282	6,616	873	473	1,346	6,207	1,755	7,962	20,233	14,030	6,203	3,214	9,417	23,447
New York	5,639	359	5,998	891	80	971	6,530	439	6,969	6,067	4,308	1,759	610	2,369	6,677
N. C.	10,331	869	11,200	3,818	376	4,194	14,149	1,245	15,394	22,462	11,286	11,176	4,411	15,587	26,873
N. Dak.	12,183	19,985	32,168	1,649	218	1,867	13,832	20,203	34,035	41,274	8,305	32,969	19,857	52,826	61,131
Ohio	9,997	780	10,777	1,628	113	1,741	11,625	893	12,518	27,895	21,950	5,945	4,601	10,546	32,496
Oklahoma	21,239	5,376	26,615	6,731	343	7,074	27,970	5,719	33,689	39,669	13,596	26,073	48,206	74,279	87,875
Oregon	5,164	486	5,650	1,009	152	1,161	6,173	638	6,811	5,660	3,838	1,822	5,817	7,639	11,477
Pa.	3,692	234	3,926	1,016	117	1,133	4,708	351	5,059	6,136	3,882	2,254	276	2,530	6,412
R. I.	241	21	262	23	1	24	264	22	286	230	153	77	93	170	323
S. C.	10,975	1,063	12,038	2,203	417	2,620	13,178	1,480	14,658	18,563	5,625	12,938	8,714	21,652	27,277
S. Dak.	18,218	21,878	40,096	3,069	994	4,063	21,287	22,672	44,159	41,464	6,166	35,298	20,187	55,485	61,651
Tennessee	5,414	454	5,868	1,538	96	1,634	6,952	550	7,502	17,621	10,787	6,834	1,082	7,916	18,703
Texas	42,263	3,883	46,146	9,372	844	10,216	51,635	4,727	56,362	70,797	32,815	37,982	18,741	56,723	89,538
Utah	6,035	523	6,558	882	121	1,003	6,917	644	7,561	6,562	3,488	3,074	2,234	5,308	8,796
Vermont	1,408	48	1,456	234	17	251	1,642	65	1,707	1,301	978	323	162	485	1,463
Virginia	5,734	243	5,977	1,483	121	1,604	7,217	364	7,581	13,938	11,041	2,897	74	2,971	14,012
Washington	7,652	1,187	8,839	1,565	224	1,789	9,217	1,411	10,628	6,069	2,798	3,271	8,129	11,400	14,198
W. Va.	4,198	454	4,652	883	93	976	5,081	547	5,628	11,679	7,573	4,106	1,503	5,609	13,182
Wisconsin	12,593	3,889	16,482	2,549	271	2,820	15,142	4,160	19,302	37,305	19,711	17,594	30,640	48,234	67,945
Wyoming	9,441	1,002	10,443	1,893	167	2,060	11,334	1,169	12,503	6,021	2,680	3,341	2,530	5,871	8,551
Hawaii	73	-	73	106	179	285	179	-	179	204	203	1	0	1	204
Puerto Rico	22	-	22	136	158	294	158	-	158	166	166	0	0	0	166
V. I.	49	8	57	11	12	23	60	20	80	405	66	339	0	339	405
Total	471,090	116,036	587,126	102,930	16,220	119,150	574,020	131,919	705,939	939,317	486,357	452,960	538,175	991,135	1,477,492

Table 7 - Number of farm families with rehabilitation loans from emergency-relief funds outstanding, amount outstanding, amount of maturities, and amount and proportion of maturities collected through June 30, 1941

State	Loans outstanding		Amount of maturities	Amount of collections[a]	Proportion of maturities collected
	Families	Amounts			
	Number		*1,000 dollars*		*Percent*
Alabama	38,003	16,569	8,952	8,256	92.2
Arizona	1,637	1,459	1,224	918	74.9
Arkansas	36,068	14,048	12,065	9,911	82.1
California	6,074	6,940	6,390	4,023	62.9
Colorado	9,893	10,805	8,418	5,853	69.5
Connecticut	333	307	567	472	83.1
Delaware	202	161	78	47	60.6
Florida	11,792	5,027	3,569	2,384	66.8
Georgia	31,378	14,196	9,005	7,997	88.8
Idaho	5,524	6,218	5,069	3,984	78.6
Illinois	11,004	6,992	5,538	4,425	79.9
Indiana	10,636	5,667	4,771	4,024	84.4
Iowa	11,957	6,712	5,888	5,216	88.6
Kansas	15,170	12,089	6,853	5,568	81.3
Kentucky	21,818	4,595	4,041	3,386	83.8
Louisiana	20,989	9,951	8,842	6,788	76.8
Maine	2,988	4,836	6,344	4,029	63.5
Maryland	1,225	946	525	422	80.4
Massachusetts	673	535	688	506	73.5
Michigan	9,617	6,642	4,374	3,640	83.2
Minnesota	13,891	9,087	6,635	5,745	86.9
Mississippi	33,788	15,539	11,600	9,746	84.0
Missouri	28,600	13,075	9,615	7,514	78.1
Montana	5,749	8,171	6,343	4,521	71.3
Nebraska	14,600	12,697	6,503	5,028	77.3
Nevada	478	440	525	468	89.2
New Hampshire	1,009	944	812	604	74.4
New Jersey	956	1,127	1,055	686	65.0
New Mexico	5,784	2,707	2,764	2,235	80.9
New York	4,471	4,551	3,061	2,173	71.0
North Carolina	18,149	7,892	8,211	6,585	80.2
North Dakota	33,672	9,789	4,160	2,846	68.4
Ohio	15,198	6,803	5,594	3,863	69.1
Oklahoma	29,881	16,826	11,103	10,062	90.6
Oregon	3,949	3,488	3,492	3,108	89.0
Pennsylvania	3,755	3,301	1,681	1,244	74.0
Rhode Island	202	158	181	114	62.9
South Carolina	14,617	7,089	5,468	4,676	85.5
South Dakota	33,015	14,646	5,976	3,983	66.6
Tennessee	12,057	2,935	3,509	3,377	96.3
Texas	52,736	24,593	24,987	20,842	83.4
Utah	5,613	4,049	3,587	2,804	78.1
Vermont	985	869	814	757	93.1
Virginia	10,866	3,769	3,616	2,797	77.3
Washington	4,566	5,112	5,182	4,048	78.1
West Virginia	8,207	3,067	2,359	1,795	76.1
Wisconsin	13,787	7,219	5,925	5,397	91.1
Wyoming	4,356	7,413	4,697	3,727	79.3
Hawaii	113	156	27	33	120.4
Puerto Rico	0	154	3	4	129.0
Virgin Islands	403	56	11	3	25.2
Total	622,434	332,417	252,697	202,634	80.2

[a] Collections include prepayments on unmatured principal amounting to $11,801,769 and interest payments amounting to $21,670,233.

Table 8 - Tenant purchase loans: Counties designated for loans, number of applicants, and borrowers, amount of loans, average loan, amount matured, and amount collected, by States, as of June 30, 1941

State	Fiscal years 1938, 1939, and 1940					Fiscal year 1941					Cumulative as of June 30, 1941	
	Counties designated for loans	Applicants	Borrowers	Amount of loans approved[a]	Average loan	Counties designated for loans	Applicants	Borrowers	Amount of loans approved	Average loan	Amount matured principal and int.	Amount collected principal and int.[b]
		Number		*Dollars*			*Number*			*Dollars*		
Alabama	57	37,321	1,090	4,505,139	4,133	58	14,906	837	3,220,930	3,848	149,627	192,835
Arizona	2	209	12	86,488	7,207	2	136	6	60,049	10,008	2,050	1,485
Arkansas	70	23,807	813	3,638,318	4,475	71	7,319	586	2,555,373	4,361	150,498	167,734
California	7	1,432	83	687,204	8,280	10	755	49	474,749	9,689	22,499	24,957
Colorado	9	1,302	66	623,040	9,440	15	837	35	378,429	10,812	24,366	28,398
Connecticut	4	82	7	49,537	7,077	4	57	2	18,535	9,268	1,285	1,284
Delaware	2	263	18	87,536	4,863	3	109	10	61,007	6,101	1,949	2,040
Florida	13	2,591	108	442,516	4,097	20	3,303	81	321,582	3,970	11,034	14,183
Georgia	99	30,682	1,187	4,696,134	3,956	129	15,422	910	3,329,204	3,656	207,049	242,647
Idaho	6	882	31	298,256	9,621	9	207	21	204,738	9,749	12,897	16,054
Illinois	25	5,184	230	2,367,905	10,295	42	3,171	158	1,628,702	10,308	120,450	139,167
Indiana	19	2,254	148	1,399,457	9,456	26	1,663	109	969,751	8,897	89,906	99,368
Iowa	31	4,814	272	2,512,709	9,238	51	4,011	197	1,733,357	8,799	175,886	199,922
Kansas	21	2,488	176	1,539,362	8,746	30	1,405	128	1,117,432	8,730	55,048	69,897
Kentucky	51	6,573	254	2,011,048	7,918	87	4,243	177	1,196,391	6,759	119,447	132,661
Louisiana	62	9,995	530	2,746,466	5,182	62	4,878	385	1,970,757	5,119	63,119	72,775
Maine	3	828	18	66,893	3,716	4	241	9	45,039	5,004	859	825
Maryland	8	419	56	345,317	6,166	12	441	34	226,640	6,666	7,111	7,259
Massachusetts	2	99	6	31,211	5,202	4	119	6	34,096	5,683	788	974
Michigan	14	830	104	837,712	8,055	23	793	80	576,012	7,200	57,379	65,427
Minnesota	21	2,724	196	1,642,194	8,379	27	1,788	131	1,125,965	8,595	118,378	129,101
Mississippi	82	21,360	1,135	4,650,521	4,097	82	7,976	730	3,315,787	4,542	90,537	115,167
Missouri	38	10,988	366	2,418,542	6,608	58	6,018	291	1,648,438	5,665	144,119	168,895
Montana	4	484	27	271,343	10,050	6	214	19	180,655	9,508	15,508	16,788
Nebraska	16	2,212	148	1,456,141	9,839	24	1,172	104	1,029,930	9,903	74,174	81,677
Nevada	1	60	3	27,050	9,017	2	14	1	8,000	8,000	1,994	1,994
New Hampshire	2	85	4	24,141	6,035	3	86	3	17,498	5,833	283	0
New Jersey	5	295	23	183,938	7,997	7	158	11	92,740	8,431	4,381	4,400
New Mexico	3	545	22	188,782	8,581	5	365	14	130,069	9,291	13,971	16,225
New York	10	2,098	104	559,668	5,381	15	1,119	68	387,142	5,693	12,089	10,494
North Carolina	100	15,746	691	3,339,936	4,833	100	8,301	630	2,676,968	4,249	124,725	151,586
North Dakota	11	1,556	112	745,167	6,653	17	960	80	540,004	6,750	37,957	40,636
Ohio	26	2,879	204	1,702,299	8,345	41	2,577	144	1,142,051	7,931	102,045	118,999
Oklahoma	66	13,915	504	3,239,071	6,427	76	7,993	378	2,242,330	5,932	179,722	221,311
Oregon	7	560	32	283,422	8,857	10	321	21	187,104	8,910	7,352	7,379
Pennsylvania	21	2,231	163	1,040,089	6,381	32	1,911	109	619,284	5,681	25,076	27,325
Rhode Island	1	38	2	8,883	4,441	2	5	1	5,850	5,850	0	0
South Carolina	46	13,977	718	3,012,289	4,195	46	5,181	511	2,125,610	4,160	123,815	141,701
South Dakota	11	1,106	113	859,351	7,605	18	1,042	53	621,386	7,487	42,672	45,260
Tennessee	95	17,685	472	2,879,907	6,101	95	10,216	322	1,554,992	4,829	145,919	190,277
Texas	118	27,338	1,045	6,960,785	6,661	172	17,816	604	4,801,481	7,949	332,930	426,740
Utah	4	488	18	133,134	7,396	4	261	8	70,190	8,774	4,667	4,727
Vermont	2	93	10	69,974	6,997	4	263	10	46,074	4,607	100	100
Virginia	-49	-5,422	-256	-1,455,853	-5,687	-63	-2,762	-182	-916,945	-5,038	-68,000	-83,014
Washington	8	1,674	46	351,238	7,636	10	601	27	239,329	8,864	8,791	9,592
West Virginia	16	1,518	93	573,283	6,164	31	1,282	83	353,362	4,257	29,814	37,151
Wisconsin	17	1,511	126	990,929	7,865	23	804	99	692,317	6,993	35,410	44,366
Wyoming	2	238	14	117,775	8,412	3	149	6	62,674	10,446	6,567	6,365
Hawaii	3	555	100	499,410	4,994	4	195	72	423,436	5,881	9,079	16,732
Puerto Rico	1	4,667	97	476,860	4,916	1	1,400	133	708,156	5,324	8,297	8,483
Total	1,291	286,103	12,053	69,134,223	5,736	1,643	146,966	8,695	48,088,540	5,531	3,041,619	3,606,377

[a] Includes $77,570 supplemental loans from 1941 funds to prior-year borrowers. [b] Includes $671,014 extra payments.

Table 9 - Statement of project development based on obligations to June 30, 1941

State and project	Family units planned or completed	Area	Cost	Other development cost	Total capital investment
	Number	*Acres*		*Dollars*	
Community projects	6,001	416,818.62	10,458,521.46	33,322,061.28	43,780,582.74
Subsistence projects	1,191	30,892.50	795,183.42	6,102,792.77	6,897,976.19
Suburban projects	2,595	12,718.00	3,405,537.24	32,758,118.03	36,163,655.27
Stranded group	1,233	37,417.65	847,451.44	14,648,583.84	15,496,035.28
Scattered farms	4,853	546,535.65	15,774,231.04	20,508,582.95	36,282,813.99
Subtotal	15,873	1,044,382.42	31,280,924.60	107,340,138.87	138,621,063.47
Migratory labor camps	15,069	8,067.84	854,317.41	13,853,104.42	14,707,421.83
Water conservation and utilities[1]	560	43,905.63	756,354.40	4,741.81	761,096.21
Defense projects[2]	[3]7,105	30,059.32	491,916.00	5,353,825.19	5,845,741.19
Subtotal	22,734	82,032.79	2,102,587.81	19,211,671.42	21,314,259.23
Grand total	38,607	1,126,415.21	33,383,512.41	126,551,810.29	159,935,322.70

[1] Includes only State corporation and Federal Security Administration obligations and not amount obligated of Bureau of Reclamation funds reserved for use by Federal Security Administration.

[2] Includes only those obligations incurred by Defense Relocation Corporations as of June 30, 1941, and not entire loan from Federal Security Administration.

[3] The 7,105 defense-project units consist of: 3,988, houses; 2,634, trailers; 50, demountable trailers; 83, dormitories housing 5,474 people; 350 demountable houses.

Table 10 - Statistics for the farm debt adjustment program, by States, from September 1, 1935, through June 30, 1941

State	Cases adjusted for		Total cases adjusted	Indebtedness		Reduction		Average reduction per case[a]	Local taxes paid
	FSA families	Others		Prior to adjustment	Following adjustment	Amount	Percent		
	Number			*Dollars*			*Percent*	*Dollars*	
Alabama	7,417	691	8,108	6,203,908	4,796,643	1,407,265	22.7	174	24,472
Arizona	670	324	994	2,103,078	1,944,502	158,576	7.5	160	25,617
Arkansas	4,065	4,233	8,298	12,650,259	8,586,067	4,064,252	32.1	490	174,075
California	1,306	1,020	2,326	14,896,397	12,800,127	2,096,270	14.1	901	90,786
Colorado	2,361	350	2,711	6,758,017	4,924,058	1,833,959	27.1	676	66,405
Connecticut	207	297	504	4,173,208	3,666,057	507,151	12.2	1,006	55,948
Delaware	137	129	266	822,331	639,901	182,430	22.2	686	3,815
Florida	1,057	1,661	2,718	9,539,162	5,039,248	4,499,914	47.2	1,656	121,634
Georgia	3,553	1,267	4,820	6,383,207	5,385,670	997,537	15.6	207	89,721
Idaho	1,174	932	2,106	15,427,158	9,513,810	5,913,348	38.3	2,808	103,027
Illinois	3,051	1,295	4,346	19,005,166	14,274,722	4,730,444	24.9	1,088	140,797
Indiana	3,563	1,135	4,698	11,210,978	9,764,470	1,446,508	12.9	308	89,052
Iowa	3,311	4,040	7,351	46,118,362	37,511,001	8,607,361	18.7	1,171	301,584
Kansas	4,467	1,478	5,945	20,027,201	14,114,747	5,912,454	29.5	995	153,451
Kentucky	852	1,074	1,926	6,707,729	5,323,719	1,384,010	20.6	719	29,089
Louisiana	4,805	1,478	6,283	8,078,862	5,970,640	2,108,222	26.1	336	121,020
Maine	1,497	322	1,819	9,195,879	7,333,688	1,862,191	20.2	1,024	60,924
Maryland	514	497	1,011	5,513,539	4,277,855	1,235,684	22.4	1,222	49,236
Massachusetts	457	328	785	5,465,847	5,065,750	400,097	7.3	510	79,298
Michigan	1,260	507	1,767	3,967,525	3,142,863	824,662	20.8	467	45,909
Minnesota	2,176	1,377	3,553	13,486,254	9,769,297	3,716,957	27.6	1,046	127,426
Mississippi	4,387	2,021	6,408	8,456,242	6,969,735	1,486,507	17.6	232	123,141
Missouri	5,693	1,796	7,489	13,673,700	10,682,826	2,990,874	21.9	399	53,364
Montana	1,378	225	1,603	4,807,948	3,598,081	1,209,867	25.2	755	76,711
Nebraska	5,483	2,166	7,649	25,236,598	18,664,045	6,572,553	26.0	859	315,128
Nevada	68	6	74	497,910	388,390	109,520	22.0	1,480	7,965
New Hampshire	170	60	230	887,171	751,609	135,562	15.3	589	15,500
New Jersey	436	196	632	4,006,873	3,415,931	590,942	14.7	935	48,621
New Mexico	1,434	639	2,073	3,845,093	2,620,792	1,224,301	31.8	591	31,814
New York	1,590	923	2,513	12,884,353	10,922,659	1,961,694	15.2	781	88,607
North Carolina	2,630	1,015	3,645	5,751,320	4,668,863	1,082,457	18.8	297	110,011
North Dakota	2,316	1,349	3,665	14,232,725	9,615,423	4,617,302	32.4	1,260	376,510
Ohio	4,590	1,214	5,804	10,790,706	9,521,603	1,269,103	11.8	219	91,943
Oklahoma	4,539	2,801	7,340	18,939,414	15,243,232	3,696,182	19.5	504	302,797
Oregon	979	212	1,191	6,682,976	5,440,135	1,242,841	18.6	1,044	94,336
Pennsylvania	1,268	1,141	2,409	10,285,591	8,715,434	1,570,157	15.3	652	172,332
Rhode Island	79	25	104	556,453	547,318	9,135	1.6	88	3,480
South Carolina	2,258	411	2,669	2,657,671	2,122,041	535,630	20.2	201	47,942
South Dakota	4,055	3,478	7,533	25,787,099	14,588,452	11,198,647	43.4	1,487	610,914
Tennessee	1,243	1,075	2,318	4,608,295	4,151,128	457,167	9.9	197	80,076
Texas	9,313	4,961	14,274	42,021,487	32,864,166	9,157,321	21.8	642	596,596
Utah	682	490	1,172	4,892,399	4,247,482	644,917	13.2	550	79,458
Vermont	349	91	440	2,322,597	1,832,998	489,599	21.1	1,113	24,032
Virginia	1,374	542	1,916	4,981,023	3,739,252	1,241,771	24.9	648	27,507
Washington	1,144	902	2,046	14,441,236	9,278,928	5,162,308	35.7	2,523	51,850
West Virginia	722	875	1,597	4,784,772	3,900,409	884,363	18.5	554	68,976
Wisconsin	1,571	778	2,349	9,704,983	6,445,906	3,259,077	33.6	1,387	72,491
Wyoming	1,373	275	1,648	7,571,841	5,340,068	2,231,773	29.5	1,354	68,752
Hawaii	6	0	6	12,561	4,564	7,997	63.7	1,333	0
Puerto Rico	0	0	0	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0	0	0	0
Total	[b]109,030	54,102	[b]163,132	493,055,104	374,126,245	118,928,859	24.1	729	5,594,140

[a] The wide variation in average reduction per case is due to the inclusion of group cases.

[b] Includes 116 group cases, which directly benefited 15,721 farmers.

DISASTER LOAN CORPORATION

Authority for organization

The Disaster Loan Corporation, which began operations on February 15, 1937, was created by an act of Congress approved February 11, 1937 (50 Stat., Ch. 10, p. 19). Subsequently, its powers were increased by (1) joint resolution approved May 28, 1937 (50 Stat. Ch. 275, p. 211); (2) an act approved March 3, 1938 (52 Stat., Ch. 40, p. 84); (3) an act approved March 4, 1939 (Public, No. 2, 76th Cong.). It was provided that the corporation should have succession until dissolved by an act of Congress.[1]

Structure and management

The capital stock of the Disaster Loan Corporation was fixed at $40,000,000, of which $18,000,000 was subscribed for by the Reconstruction Finance Corporation and held by the Secretary of the Treasury. The management of the corporation is vested in a managing director who is a member of the Board of Directors of the Reconstruction Finance Corporation. He is appointed by the Reconstruction Finance Corporation under rules and regulations prescribed by the Board of Directors of that organization. In the event of his absence or disability, any other member of the Board of Directors of the Reconstruction Finance Corporation may act as managing director of the Disaster Loan Corporation. The Disaster Loan Corporation functions through a principal office located in Washington, D. C., and 18 regional offices in charge of agents. The officers and agents of the Disaster Loan Corporation are members of the staff of the Reconstruction Finance Corporation. Each regional office has an agent, the necessary staff of employees, all of whom are employees of the Reconstruction Finance Corporation, and the services of a local committee, which serves without compensation, for the consideration of loan applications.[1]

Objectives

The purpose of the Disaster Loan Corporation is to provide loans made necessary by floods or other catastrophes; to fulfill this purpose the corporation is permitted to use all of its assets, including capital and net earnings, in the exercise of its functions.[1]

Lending policies

To be eligible for a loan, an applicant must have suffered property loss or damage from floods or other catastrophe. In passing upon applications, moral character and credit standing of the applicant are given consideration. The purposes for which the proceeds of the loans are to be used are set forth in the application. The interest rate, which is determined by the managing director, is not less than 3 percent or more than 4 percent, depending on the type and purpose of the loan.

[1]Financial Statements of Certain Government Agencies, Senate Document No. 172, Part I, 76th Congress, 3rd Session, page 59.

The act approved February 11, 1937, as amended, places no limitation on the amount that may be lent to any one borrower, nor does it fix a limitation on a loan in relation to appraisal of security. Matters relating to collateral and underlying security for loans are determined by rules and regulations of the corporation. Payment provisions and other terms and conditions are determined by the requirements of each borrower, who may prepay the loan if he so desires. Applications for loans are filed with and considered in the first instance by the regional offices of the corporation and are transmitted to the Washington office for final action. Loans approved are disbursed through the Federal Reserve banks and branch banks. Protection of the corporation's and Government's interests in the matter of insurance, inspection and preservation of securities, renewals or extensions, foreclosure, delinquencies, etc., are matters which are determined in each case by the circumstances involved. Loans made by the Disaster Loan Corporation are serviced by the field facilities of the Reconstruction Finance Corporation. Costs of making loans of $1,000 or less are absorbed by the Disaster Loan Corporation, but in other cases it is determined by the circumstances in the locality.[1]

Accomplishments

As of August 15, 1943, the Disaster Loan Corporation (since its beginning in 1937) had authorized 23,986 loans in the amount of $34,080,896.36, and had made disbursements of $30,392,107.26[2] on 21,069 loans.[3]

[1] Financial Statements of Certain Government Agencies, Senate Document No. 172, Part I, 76th Congress, 3rd Session, page 59.

[2] Includes one loan in the District of Columbia in the amount of $16,256,950 to the Federal Surplus Commodities Corporation.

[3] Figures include both urban and rural loans. The corporation does not report loans to agriculture as a separate category. It would be necessary to examine each loan folder individually to determine which of the loans were made to farmers.

REGIONAL AGRICULTURAL CREDIT CORPORATIONS

Authority for organization

By section 201(e) of the Emergency Relief and Construction Act of 1932 (approved July 21, 1932; 12 U.S.C. 1148), the Reconstruction Finance Corporation was authorized to create a regional agricultural credit corporation in any of the 12 Federal land bank districts where it was considered advisable. Under that authority, 12 regional agricultural credit corporations were chartered.[1]

Structure and management

These corporations were supervised and controlled by the Reconstruction Finance Corporation until May 27, 1933, when their functions were transferred, by executive order, to the Farm Credit Administration. Since May 27, 1933, the Farm Credit Administration has administered, supervised, and directed the activities of the regional agricultural credit corporations.[1]

On May 1, 1934, the corporations were placed in orderly liquidation, inasmuch as the production credit associations, a permanent source of short-term credit had been organized. New loans were not made after 1934, with the exception of a few loans in the area affected by drought and insect infestation, until 1941. In February of that year, a branch office was opened in Wenatchee, Washington, to extend credit to fruit growers in that area. In January 1943, the lending activities of the Regional Agricultural Credit Corporation of Washington, D. C., were revived to increase production of necessary foods, fibers, fats, and oils.

When the regional agricultural credit corporations retired from active lending operations there were 12 principal offices and 21 branches. On June 1, 1936, the remaining business of the eastern principal offices was concentrated at Washington, D. C. In October 1937, these six corporations were consolidated into the Regional Agricultural Credit Corporation of Washington, D. C., which was empowered to operate anywhere in the United States. Subsequently, five of the principal offices west of the Mississippi River also underwent a series of mergers. During 1942, only two corporations and one branch operated. They were the Regional Agricultural Credit Corporation of Washington, D. C., with outstanding loans of $183,286 on December 31, 1942, at its principal office at Kansas City, Missouri, and of $3,268,366 at its branch at Wenatchee, Washington, and the Regional Agricultural Credit Corporation of Minneapolis, Minnesota, with outstanding loans of $539,585 on December 31, 1942.

There is only one class of stock issued by these corporations, and the voting power of this class of stock rests with the Secretary of the Treasury. The original capital stock issued by these corporations in 1932 amounted to $36,000,000; additional stock issued during 1933 increased this amount to $44,500,000, and while there were subsequent

[1]Financial Statements of Certain Government Agencies, Senate Document No. 172 - Part I, 76th Congress, 3rd Session, page 221.

shifts of capital as authorized by law (12 U.S.C. 1148 2), the stock issued during 1932 and 1933 represented the maximum amount outstanding at any one time.

In January 1943 when the lending activities were revived, the Regional Agricultural Credit Corporation of Washington, D. C., recalled from the Treasury $39,500,000 of paid-in capital stock which combined with its existing capital stock of $900,000 made a total of $40,400,000.

Objectives

The regional agricultural credit corporations were created as temporary emergency institutions to meet the unusual demands for short-term credit during a period of serious credit stringency.[1] The lending operations were resumed in February 1941 to furnish credit to fruit growers, in Okanogan, Chelan, and Douglas counties, Washington, who had encountered serious difficulties in obtaining adequate financing, and in an effort to alleviate the distressing situation confronting the growers.[2] In January 1943, the lending activities of the Regional Agricultural Credit Corporation of Washington, D. C., were revived for the purpose of providing a supplementary form of credit to aid in financing war-time demands for increased production of necessary foods, fibers, fats, and oils. Thus, during the period from its organization to June 30, 1943, the regional agricultural credit corporations have been utilized to meet credit needs of farmers during periods of depression, both nationally and locally, and to make high risk loans for increased food production, which probably would not have been financed otherwise.

Lending policies

Eligible borrowers were limited to individual farmers and stockmen, and partnerships and corporations principally engaged in agriculture and livestock enterprises. Loan proceeds were to be used only for an agricultural purpose (including crop production), the raising, breeding, fattening or marketing of livestock, or the refinancing of indebtedness incurred for such purposes. The principal security for loans consisted of first liens on livestock and other personal property, including growing crops.[1]

The revival of lending activities in 1943 was not intended to supplant existing sources of agricultural financing but rather to supplement these sources. Farmers were definitely urged to continue to obtain credit from existing credit channels whenever that was possible, and loans and advances were made only to those farmers and stockmen who gave evidence that with the assistance of this type of financing they could produce agricultural products in quantities greater than they could produce through the use of other credit that might be available to them. In other words, the recent program of the corporation made possible a stand-by credit service for farmers and private lenders serving farmers.

[1]The Second Annual Report of the Farm Credit Adm., 1934, page 59
[2]The Ninth Annual Report of the Farm Credit Adm., 1941, page 91

Two types of credit were available under this program. F-1 loans were made upon the approval of a regional agricultural credit corporation county loan representative and the chairman of the county war board in amounts up to $2,500. Loans and advances of larger amounts were referred by the county loan representative to the district vice president, who was the General Agent of each Farm Credit district, for approval. Certain of the largest loans and advances require the approval of the central office. The amount of a loan or advance to any one borrower was limited to an amount necessary for carrying on his production program. Loans and advances were made for a period not to exceed 1 year, but renewals could be granted under proper circumstances. Collateral security consisting of first liens on crops, livestock, or commodities ordinarily was required, and interest was charged at the rate of 5 percent per annum on the unpaid balance from the date of advance to the date of repayment. In order to qualify for a loan, a producer's farming operations must give reasonable assurance that the loan will be repaid.

In addition to the F-1 loans, F-2 advances were made to producers to finance extraordinary production of essential commodities. These advances were made for production of designated crops upon determination by county war boards that the farmer had capacity to produce the crop and that the proceeds were likely to be adequate to repay the advance. All advances were secured by first liens upon the specified crops financed. The borrower was personally liable for the full amount of the advance, but if the county war board certified that he had used the advance for producing the specified crops, followed practices of good husbandry, applied an amount equal to all of the proceeds from the crops to repayment and such amount was insufficient to repay the advance in full, then the Regional Agricultural Credit Corporation did not look to other assets of the borrower for repayment of that part of the advance which exceeds such proceeds and canceled the borrower's obligation for such balance of the advance.

Special war crops on which F-2 advances were made include soybeans for beans, flax for seed or fiber, peanuts to be harvested and picked, potatoes where the farm goal is 3 acres or more, sweet potatoes on farms with goals determined, American-Egyptian cotton, hemp for seed or fiber, dry beans, dry peas, excluding wrinkled varieties, castor beans, tomatoes, snap beans, lima beans, peas, carrots for processing or sale fresh, cabbage, sweet corn, and table beets for processing only.

Accomplishments

Table 11 shows the repayment progress of all regional agricultural credit corporations prior to the food production loan program of 1943. Although the supervision and control of the regional agricultural credit corporations are vested in the Farm Credit Administration, funds for the payment of operating expenses are advanced by the Reconstruction Finance Corporation. Through December 31, 1942, the Reconstruction Finance Corporation had advanced $17,267,757 of which $17,154,325 had been expended (including $367,181 expended by the Wenatchee office), the remainder of $113,432 having been reserved for the payment of future expenses. None of these advances had been repaid, and the total amount

Table 11 - Loans made, loans outstanding, and percentage of loans outstanding to loans made

Year ended December 31	Total loans made from organization[a]	Loans outstanding at end of year	Percentage outstanding
	cumulative		
1933	$226,291,380	$144,635,982	63.9
1934	284,796,430	87,101,759	30.6
1935	307,159,874	43,400,186	14.1
1936	316,949,880	25,287,760	8.0
1937	322,693,140	15,591,818	4.8
1938	325,684,348	11,081,297	3.4
1939	327,989,140	8,004,748	2.4
1940	329,802,091	5,855,092	1.8
1941	[b]335,664,526	[b]5,531,484	[b]1.6
1942	[c]343,268,709	[c]3,991,237	[c]1.2

[a] Excludes renewals.

[b] Includes operations of the Wenatchee, Washington, branch.

[c] Includes $3,268,366 in unpaid loans in the Wenatchee, Washington, branch.

expended is carried on the balance sheets of the corporations as "paid-in surplus." Undivided profits are calculated as though operating expenses had been paid by the corporations themselves.

Total income of the corporations from organization to December 31, 1942, approximates $27,649,000. The principal item creating this income is interest earned on loans. Total expenses including interest paid on rediscounts are $24,292,000. Losses on loans charged off, judgments, personal property, etc., are $2,955,000, and reserves on the assets of the corporations total $228,000.

The regional agricultural credit corporations, during the period 1932 to 1934, helped save thousands of farmers and stockmen from bankruptcy and were a means of materially strengthening the financial condition of many banks whose deposit funds were tied up in non-liquid agricultural loans at a time when depositors were obliged to make heavy withdrawals. As shown by the table above, these corporations from the time of their establishment in July 1932 to December 31, 1942, loaned a total of $343,268,709. On the latter date loans outstanding amounted to only $3,991,237, the difference of $339,277,472, representing repayments. For nearly 10 of the 11 years of their existence the regional agricultural credit corporations have been under the supervision of the Farm Credit Administration. The financial statement of these corporations, as of December 31, 1942, shows that their paid-in capital amounting to $5,000,000 was intact and that their paid-in surplus of $17,154,325 provided by the Reconstruction Finance Corporation likewise was intact. In addition the corporations have accumulated undivided profits of approximately $175,000.

The extent to which the Regional Agricultural Credit Corporation of Washington, D. C., assisted in financing the production of vitally needed food and fiber is shown by Farm Credit districts as of July 3, 1943 in table 12.

Table 12 - Loan operations, January 1 through December 31, 1943
total loans and special war crop advances

District and State	Loans and advances made[a]		Repayments[a]			Cancelations of special war crop advances	Outstanding December 31, 1943	
	Number	Amount	Number paid in full[b]	Amount	% of amount made		Number	Amount
1 - Maine	835	$1,989,212	287	$1,153,251	58.0	-	548	$835,961
New Hampshire	128	147,822	24	43,679	29.5	-	104	104,143
Vermont	94	100,735	18	29,666	29.4	-	76	71,069
Massachusetts	90	113,470	22	55,409	48.8	-	68	58,061
Rhode Island	33	39,380	1	9,896	25.1	-	32	29,484
Connecticut	54	87,368	12	33,302	38.1	-	42	54,066
New York	1,450	1,495,069	367	652,940	43.7	$834	1,083	841,295
New Jersey	121	176,942	42	98,420	55.6	-	79	78,522
Total	2,805	4,149,998	773	2,076,563	50.0	834	2,032	2,072,601
2 - Pennsylvania	947	876,929	142	253,840	28.9	-	805	623,089
Delaware	189	146,146	85	83,004	56.8	-	104	63,142
Maryland	533	560,484	305	363,946	64.9	-	228	196,538
Virginia	1,275	1,941,600	745	1,712,675	88.2	-	530	228,925
West Virginia	90	39,420	20	11,934	30.3	-	70	27,486
Total	3,034	3,564,579	1,297	2,425,399	68.0	-	1,737	1,139,180
3 - North Carolina	1,280	453,379	632	252,677	55.7	-	648	200,702
South Carolina	4,049	855,857	1,407	424,377	49.6	-	2,642	431,480
Georgia	3,331	1,721,759	1,698	1,033,237	60.0	-	1,633	688,522
Florida	465	421,505	151	198,628	47.1	-	314	222,877
Total	9,125	3,452,500	3,888	1,908,919	55.3	-	5,237	1,543,581
4 - Ohio	851	471,335	309	181,480	38.5	-	542	289,855
Indiana	1,584	769,975	692	345,710	44.9	8,870	892	415,395
Kentucky	1,377	442,488	220	95,817	21.7	18	1,157	346,653
Tennessee	2,248	615,800	1,047	338,765	55.0	1,113	1,201	275,922
Total	6,060	2,299,598	2,268	961,772	41.8	10,001	3,792	1,327,825
5 - Alabama	592	287,754	239	160,567	55.8	-	353	127,187
Mississippi	730	415,825	226	144,796	34.8	7,384	504	263,645
Louisiana	1,084	659,312	414	258,749	39.2	-	670	400,563
Total	2,406	1,362,891	879	564,112	41.4	7,384	1,527	791,395
6 - Illinois	1,132	618,810	584	330,481	53.4	-	548	288,329
Missouri	3,407	1,831,730	1,538	1,039,324	56.7	1,183	1,869	791,223
Arkansas	2,525	1,122,517	919	477,106	42.5	29,614	1,606	615,797
Total	7,064	3,573,057	3,041	1,846,911	51.7	30,797	4,023	1,695,349
7 - Michigan	3,035	1,352,109	1,053	474,914	35.1	61	1,982	877,134
Wisconsin	3,500	2,072,404	1,160	928,010	44.8	647	2,340	1,143,747
Minnesota	8,713	3,855,759	4,571	2,149,243	55.7	11,624	4,142	1,694,892
North Dakota	21,069	7,524,856	16,600	5,576,457	74.1	7,220	4,469	1,941,179
Total	36,317	14,805,128	23,384	9,128,624	61.7	19,552	12,933	5,656,952
8 - Iowa	2,921	1,838,819	1,433	881,418	47.9	2,156	1,488	955,245
South Dakota	5,881	2,073,553	3,512	1,139,687	55.0	17,878	2,369	915,988
Nebraska	5,741	3,513,102	2,715	1,765,799	50.3	5,433	3,026	1,741,870
Wyoming	679	1,101,054	385	613,495	55.7	-	294	487,559
Total	15,222	8,526,528	8,045	4,400,399	51.6	25,467	7,177	4,100,662
9 - Kansas	2,506	1,851,149	1,173	711,001	38.4	5,822	1,333	1,134,326
Oklahoma	6,462	2,039,096	1,775	652,751	32.0	4,362	4,687	1,381,983
Colorado	1,662	1,333,055	771	700,884	52.6	6,511	891	625,660
New Mexico	651	502,471	245	173,567	34.5	9,153	406	319,751
Total	11,281	5,725,771	3,964	2,238,203	39.1	25,848	7,317	3,461,720
10 - Texas	5,729	3,132,942	2,797	1,513,779	48.3	300	2,932	1,618,863
11 - Arizona	5	13,525	1	7,035	52.0	-	4	6,490
Utah	181	436,571	65	194,295	44.5	470	116	241,806
Nevada	14	119,545	3	40,274	33.7	-	11	79,271
California	1,124	5,371,146	526	3,756,900	69.9	6,403	598	1,607,843
Total	1,324	5,940,787	595	3,998,504	67.3	6,873	729	1,935,410
12 - Montana	4,687	3,145,918	3,522	1,475,355	46.9	60,147	1,165	1,610,416
Idaho	2,239	1,912,044	1,387	1,223,939	64.0	15,500	852	672,605
Washington	781	1,488,722	343	917,306	61.6	466	438	570,950
Oregon	746	1,516,543	341	918,776	60.6	5,323	405	592,444
Total	8,453	8,063,227	5,593	4,535,376	56.2	81,436	2,860	3,446,415
Grand Total	108,820	$64,597,006	56,524	$35,598,561	55.1	$208,492	52,296	$28,789,953

U. S. Department of Agriculture - Farm Credit Administration - Division of Finance and Accounts.

[a] Includes renewals.

[b] Includes F-2 cancelations.

From January 21, 1943, when the loan activity of the Regional Agricultural Credit Corporation of Washington, D. C., was revived, to June 30, 1943, a total of 2,386,329 acres of special war crops were financed by F-2 advances, and 1,194,008 acres of special war crops and other crops were financed by F-1 loans. In addition, there was considerable financing of livestock by F-1 loans. The details of this financing by crops and types of livestock are shown in table 13 and table 14.

Table 13 - Regional Agricultural Credit Corporation of Washington, D. C. total acreage, estimated total production, and value of crops financed in 1943

Crop	F-1 loans				F-2 advances			
	Acres	Estimated production		Estimated value of production	Acres	Estimated production		Estimated value of production
		Unit	1,000 units			Unit	1,000 units	
				$1,000				$1,000
Wheat	91,707	bu.	1,480	1,935	-		-	-
Corn	341,196	bu.	9,871	9,706	11,711	bu.	247	302
Oats	118,564	bu.	3,491	2,439	-		-	-
Barley	73,461	bu.	1,652	1,605	-		-	-
Rye	5,667	bu.	63	59	-		-	-
Sorghums	95,203	tons	41	[a]1,468	1,882	tons	-	21
Alfalfa	16,352	tons	38	617	-		-	-
Other hay and forage	19,813	tons	25	399	-		-	-
Flax	13,875	bu.	126	357	1,395,610	bu.	10,334	28,638
Soybeans for beans	52,273	bu.	881	1,594	155,101	bu.	2,224	4,409
Peanuts for nuts	96,069	1,000 lbs.	57	3,973	189,296	1,000 lbs.	110	7,723
Castor beans	-	bu.	-	-	1,194	bu.	11	1
Hemp	633	tons	1	294	6,841	tons	3	1,042
Cotton	103,615	1,000 lbs.	19	3,647	182	1,000 lbs.	24	5
Rice	28,013	bu.	1,382	2,472	-		-	-
Sugar beets	9,766	tons	128	924	-		-	-
Sugar cane	1,140	tons	20	103	-		-	-
Tobacco	2,295	lbs.	2,169	883	-		-	-
Dry peas	7,773	bu.	130	395	105,087	bu.	2,295	7,037
Dry beans	37,892	bu.	558	2,011	201,424	bu.	2,238	7,765
Irish potatoes	25,180	bu.	4,652	6,308	229,309	bu.	31,091	38,661
Sweet potatoes	4,800	bu.	398	1,006	15,051	bu.	1,380	3,201
Table beets	355	bu.	72	41	1,165	bu.	236	131
Cabbage	1,968	tons	17	373	1,399	tons	11	252
Carrots	1,175	bu.	348	477	1,649	bu.	435	597
Green peas	3,400	bu.	199	229	25,566	bu.	902	2,309
Fresh lima beans	134	bu.	8	7	1,920	bu.	124	99
Snap beans	4,044	bu.	451	652	17,507	bu.	429	1,976
Sweet corn	1,838	tons	3	68	4,769	tons	10	186
Tomatoes	11,654	bu.	2,440	1,663	18,616	bu.	3,018	2,087
Other truck crops	10,093	tons	18	1,256	300	tons	(b)	-
Fruits and nuts	7,686	tons	76	2,160	-	tons	(b)	-
Misc. crops	6,174	bu.	25	37	750	bu.	(b)	-
All crops	1,194,008			49,158	2,386,329			106,442

[a] Includes grain, forage, and syrup.

[b] Data not available.

Table 14 - Number of livestock and poultry financed by the Regional Agricultural Credit Corporation in 1943

Kind of livestock	Number
Horses and mules	3,786
Beef cattle	101,523
Milk cows	57,235
Hogs	152,892
Sheep and lambs	66,505
Other livestock	3,135
Chickens for sale	3,174,699
Laying hens	1,310,867
Turkeys for market	646,224
Other poultry	22,553
Bee colonies	1,404

Prepared by Economic and Credit Research Division.

AGRICULTURAL CREDIT CORPORATIONS

Authority for organization

The Agricultural Credits Act of 1923 provided for two fundamentally different systems of agricultural credit which were expected to operate independently of each other. The Federal intermediate credit banks form a central banking system for agriculture which is owned, operated, and controlled by the Federal Government. The national agricultural credit corporations provided for in the act were private enterprises receiving no direct financial aid from the Government. While the establishment of the Federal intermediate credit banks was mandatory, the promotion of national agricultural credit corporations was left entirely to private initiative. The Government's only relation to them was originally a supervisory one through the office of the Comptroller of the Currency.[1] However, on March 4, 1925, the Agricultural Credits Act was amended to authorize the Federal intermediate credit banks to discount paper for the national agricultural credit corporations.

A brief survey of the structure of these two systems, as they relate to the development and operations of agricultural credit corporations, reveals certain characteristics of each which have largely determined their respective importance in furnishing short-term and intermediate credit to agriculture.

The intermediate credit bank system, established pursuant to the Agricultural Credits Act, was designed to furnish (1) marketing credit to farmers' cooperative associations on paper secured by warehouse receipts, and (2) production or general agricultural credit to individual farmers by rediscounting their notes for various financial institutions, principally agricultural credit corporations, livestock loan companies, and State and national banks.[2]

As indicated above, the national agricultural credit corporations were later given access to rediscount privileges with the Federal intermediate credit banks.

National Agricultural Credit Corporations

Objectives

The Congressional debates indicated an intention to establish national agricultural credit corporations as a distinct kind of credit institution having its own place and distinctive work in the credit structure. Congress was guided largely by the experience of the War Finance Corporation in making agricultural and livestock loans. The leaders of this group were convinced that, with the exception of the livestock industry, our

[1] Ten Years of Federal Intermediate Credits, Baird and Benner, The Brookings Institution (Washington, D. C., 1933), page 83.

[2] Agricultural Credit Corporations and Their Problems, Rowe, Journal of Farm Economics, Vol. XIII, No. 4, Oct. 1931, page 573.

regular banking system could adequately meet the intermediate credit needs of agriculture.[1] The act authorized the establishment of national agricultural credit corporations primarily to serve the livestock industry.

Structure and management

National agricultural credit corporations were subject to Federal control and their supervision was placed in the office of the Comptroller of the Currency. This official exercised the same powers over them as he did over national banks, namely, chartering, regulation of their loaning operations, and supervision of their accounts.

Sufficient capital was required to insure a responsible credit institution. No corporation was permitted to commence business without a paid-in capital of at least $250,000. At least 50 percent of the capital was to be paid in cash before the company could enter into any business. The capital stock may be increased on demand from time to time by a two-thirds vote of the stockholders, but in no event could it ever be reduced to less than $250,000.

National agricultural credit corporations were given the power to issue debentures. The conditions governing the issuance of debentures by these corporations were practically the same as those that govern the intermediate credit banks, with the exception that the debentures of the credit corporations were not tax exempt. Any corporation with a capital of at least $1,000,000 was authorized to discount paper for another corporation or for a bank or trust company that was a member of the Federal Reserve System.

It was hoped that the banks which were interested in financing the livestock industry would furnish the greater amount of the capital necessary to organize these corporations. Consequently, member banks of the Federal Reserve System, subject to the approval of the Comptroller of the Currency, were permitted to invest an amount not exceeding 10 percent of their capital and surplus in the stock of a national agricultural credit corporation. Although it was expected that the connection between the stock holding banks and a credit corporation would necessarily be close, it was provided that the business affairs of the corporation must be kept separate.

Lending policies

The loaning powers of the national agricultural credit corporations were carefully safeguarded. They were authorized to make advances or discount paper or accept drafts of the following nature:

1. Paper having a maturity not exceeding 9 months and secured by chattel mortgages on livestock which is being fattened for market.

[1] Ten Years of Federal Intermediate Credits, Baird and Benner, The Brookings Institution, page 93.

2. Paper having a maturity not exceeding 9 months and secured by warehouse receipts representing nonperishable agricultural commodities.

3. Paper secured by agricultural crops being grown for market.

4. Paper having a maturity not exceeding 3 years and secured by chattel mortgages on maturing or breeding livestock, or dairy herds.

As the national agricultural credit corporations were designed to attract capital into the livestock industry, their loaning practices were designed to invite confidence in their paper. A limit was fixed on the amount of loans that a corporation could extend on a given amount of capital by restricting the liabilities, either direct or contingent, to 10 times its unimpaired capital stock and surplus.

Careful inspection of all livestock collateral was required. In order to prevent a combination of merchandising and financing operations which might encourage laxity in credit accommodations, the law prohibited any corporation from purchasing, owning, or dealing in any livestock except when such livestock was taken in the course of liquidation of loans.

Minimum reserves of United States Government obligations kept on deposit with the Federal Reserve Banks to the amount of 25 percent of the corporations' paid-in capital stock was required. These securities were held in trust for the protection and benefit of all holders of obligations on which the corporation may be directly or contingently liable. As a corporation expanded its business, it was required to add to this amount so that the value of these securities would at all times be equal to 7.5 percent of the aggregate indebtedness, direct or contingent, of the credit corporation. The law did not attempt to regulate the interest rates charged by the national agricultural credit corporations. They were allowed to charge the rate allowed by the laws of the State in which their principal office was located. When discounting with the Federal intermediate credit banks, interest rates were subject to the limitations of that act.

Accomplishments Negligible

Private enterprise made little headway in establishing national agricultural credit corporations. In fact, only three corporations were organized under Federal charter for the purpose of financing livestock producers. Two of these corporations were set up in the State of Iowa but were liquidated within a year or two after organization. Another, organized in California operated actively from 1925 until about 1934 or 1935. Since that time it has been either inactive or in liquidation, and retired its indebtedness to the Federal Intermediate Credit Bank of Berkeley in May 1938. Since the last of these corporations has gone out of business and no additional national agricultural credit corporations may be organized under the act,[1] this chapter in the history of agricultural finance may be regarded as closed.

[1] Sec. 77, Farm Credit Act of June 16, 1933.

Several major factors may be cited which partially explain why a credit system designed primarily for the livestock industry failed to develop as anticipated. No debentures were ever issued by a national agricultural credit corporation, although this power was authorized by the Agricultural Credits Act of 1923. It is not to be expected that the securities of these independent corporations should be sold on as favorable terms as debentures issued by the intermediate credit banks which are tax exempt and carry the joint liability of all 12 banks, although primarily the liability of the issuing bank. The debentures authorized for the national agricultural credit corporations were not tax exempt and the issuing corporation was to be solely responsible for their payment. Since these corporations after 1925 could rediscount with the intermediate credit banks at 1 percent above whatever rate the latter's tax-exempt securities command in the investment market, there was no incentive for them to raise funds by issuing their own securities. Instead, they finance through commercial banks in the livestock centers or rediscount with the intermediate credit banks.

No national agricultural credit corporation had functioned as a central discounting institution. There was no inducement to duplicate the facilities of the intermediate credit banks, which serve as intermediaries between local credit corporations and the surplus investment funds of the money market. Since the intermediate credit banks had an advantage in the investment market because of their authority to issue tax-exempt securities, and since they are not permitted by law to charge their customers more than 1 percent above their debenture rate except with the approval of the Governor, it is quite logical that a second central discounting system for agricultural paper never developed.

The restrictions imposed on national agricultural credit corporations, and particularly the requirement of a minimum paid-in capital of $250,000, made it most difficult to organize such corporations. Those interested in providing credit for agriculture preferred to organize under State laws setting up smaller institutions and discount paper with the Federal intermediate credit banks.

Thus the plan of Congress that the Federal intermediate credit banks and the national agricultural credit corporations should form two credit systems, each functioning in its separate sphere independently of each other, did not materialize. Instead, one intermediate credit system developed, based upon 12 intermediate credit banks which make direct loans to cooperative marketing associations and discount paper for commercial banks, agricultural credit corporations, livestock loan companies, and since 1933 for the production credit associations and banks for cooperatives. The national agricultural credit corporations did not develop into an intermediate credit system in their own right as was intended.

A study of agricultural production financing through the intermediate credit system prior to 1933 is therefore largely an examination of the State chartered agricultural credit corporations and livestock loan companies. Such corporations are not supervised by the Federal intermediate

credit banks, except indirectly through the power of the Federal intermediate credit banks to reject applications for discount which would have the effect of freezing the assets of the corporations. By agreement between the corporations and the Federal intermediate credit banks, the latter satisfies itself of the corporations lending practices. Control of their business practices insofar as they may affect their rediscount operations were largely the responsibility of the intermediate credit banks, subject to the approval of the Federal Farm Loan Board prior to 1933, and since 1933 its successor, the Farm Credit Administration.

State Chartered Agricultural Credit Corporations

Objectives

At the time when the Agricultural Credits Act of 1923 was under consideration, many farm leaders were of the opinion that the farmer should have sources of credit other than the local banks. Furthermore, the resources of local banks were frequently curtailed at a time when the farmer was in the greatest need of credit. To remedy this situation and to give the farmer more avenues of access to the Federal intermediate credit banks, the Agricultural Credits Act empowered the intermediate credit banks to discount paper for agricultural credit corporations, incorporated livestock companies, and cooperative credit or marketing associations of agricultural producers organized under laws of any State.[1]

Structure and management

The Federal Farm Loan Board defined the term "Agricultural Credit Corporation" as a corporation organized under laws of any State for the purpose of loaning money for agricultural purposes or for the raising, breeding, and fattening of livestock.[2] This definition includes a wide variety of local credit agencies such as livestock loan companies, agricultural credit corporations, and other institutions to take care of paper eligible for rediscount with the intermediate credit banks.

The Federal Farm Loan Board ruled that no rediscounts should be accepted from any agricultural credit corporation which did not have a paid-up and unimpaired capital of at least $10,000. The Agricultural Credits Act provided that the intermediate credit banks should not purchase from, or discount for, any corporation engaged in making loans for agricultural purposes, if the aggregate liabilities of the corporations "exceeds ten times the paid-in and unimpaired capital and surplus of such corporation."

Lending policies

Before a loan was granted or paper could be discounted the agricultural credit corporation was required to file with the intermediate credit bank the following:

1. An application for the privilege for rediscounting or borrowing.

[1]Agricultural Credit in the United States, E. S. Sparks, page 403.

[2]Federal Farm Loan Board, Circular No. 15, 1923, page 12.
The Federal Intermediate Credit System, Benner, chapter VII, page 164.

2. A detailed statement of its financial condition.

3. The written opinion of its counsel stating that such an institution has power under State law to rediscount paper.

4. Proper authorization from its board of directors for such rediscount.

5. The official signature of the officers who are authorized to bind the corporation.

6. An agreement to submit upon call a detailed statement of its financial condition to the Farm Credit Administration and to submit to periodic examinations.

The desire of Congress to provide the lowest possible rates to borrowers consistent with maximum safety for the investors in intermediate credit bank debentures resulted in considerable reluctance on the part of private enterprise to develop credit corporations to their greatest usefulness. Financially responsible credit corporations could borrow freely from the intermediate credit banks, ordinarily at rates below those on bank loans, but they were obligated to pass this advantage on to their customers in the form of lower interest charges.

Commercial banks have not, as a rule, rediscounted with the intermediate credit banks, although it appears to have been the thought of the framers of the law that the Federal intermediate credit banks would be of material assistance to country banks. Lending rates of country banks were generally higher than the rates permitted by the law and regulations governing the intermediate credit banks. A reduction in the lending rates of commercial banks to make their paper eligible for discount would have resulted in loss of revenue and would have disturbed their entire rate structure. Also, country banks in good financial condition ordinarily had access to outside funds through their city correspondents and the Federal Reserve System. Many banks also prefer to show no liability for borrowed money or rediscounts on their financial statements. Another important reason why commercial banks did not deal directly with the intermediate credit banks is the fact that many of them organized affiliated or subsidiary agricultural credit corporations, thus establishing indirect rediscount relations with the credit banks.[1]

Since the establishment of the production credit associations, the lower interest rates made available through the facilities of the intermediate credit banks have been widespread geographically.

Many Agricultural Credit Corporations Were Unsuccessful

During the early years of the Federal Intermediate Credit System the growth of agricultural credit corporations was rapid. During 1923, 1924, and 1925 such organizations were developed for various purposes, including

[1] The Federal Intermediate Credit Banks, M. H. Uelsmann, page 30.

the supplementing of bank facilities and the aiding of cooperative marketing associations. Affiliation of agricultural credit corporations with banks often resulted in the corporations' obtaining not only the frozen paper held by the banks but also in many cases their poorest paper. Agricultural credit corporations affiliated with cooperative marketing associations often accumulated a large amount of poor paper in an effort to build up the membership of the marketing association.

The following figures indicate in a measure the development and liquidation of rediscounting institutions during the first 6 years:[1]

Number of institutions rediscounting with the banks prior to December 31, 1928

State banks	150
Savings banks	1
National banks	12
Trust companies	8
Agricultural Credit Corporations	378
Livestock Loan Companies	90
Others	3
Total	642

Condition of these organizations, December 31, 1928

Active	235
Inactive	90
Ceased discounting	85
Liquidated	231
Total	641

Following this retrenchment there was a lull for several years in the organization of corporations until the summer of 1930. From then until April 1931 agricultural credit corporations and livestock loan companies increased from approximately 245 to about 330.[2]

Attempts were made by the Federal Government and certain States to encourage the organization of new agricultural credit corporations and the expansion of capital in existing agricultural credit corporations. Under the provisions of a joint resolution[3] the Congress made available to the Secretary of Agriculture the sum of $20,000,000 for drought relief purposes, including the making of loans to farmers and stockmen in drought, storm, or hail stricken areas, to enable them to form local credit corporations or loan companies, or to increase the capital stock of such organizations qualified to do business with the intermediate credit banks. The original provision for loans to assist in the

[1] Report of Federal Farm Loan Board for 1928, compiled from table 26, page 126.
[2] Rowe, Journal of Farm Economics, Vol. XIII, No. 4, Oct. 1931.
[3] Pub. Res. 112-71 Cong. App. Feb. 14, 1931 (46 Stat. 1160).

capitalization of financing institutions was superseded in 1932 by a $10,000,000 revolving fund made available for the same purpose.[1] Loans under the 1932 resolution were limited to 75 percent of the par value of capital stock owned or subscribed for by the individual applicant for a loan. Under these authorizations advances aggregating $1,513,024 were made to 967 individuals who were stockholders of 54 different corporations. Some of the corporations thus capitalized were new institutions but in many instances the funds were used to increase the capital of existing companies. The administration of the outstanding loans and the revolving fund were transferred to the jurisdiction of the Farm Credit Administration by Executive Order No. 6084, dated March 27, 1933. The unexpended balance of the fund and all repayments on loans made under the two resolutions, together with certain other funds, were made available to the Governor of the Farm Credit Administration for the creation of the $120,000,000 revolving fund provided for by section 5(a) of the Farm Credit Act of 1933.[2]

Certain States also granted special privileges for the organization of agricultural credit corporations. In 1931, the State of Arkansas appropriated $1,500,000 to capitalize agricultural credit corporations within the State. Nearly $1,300,000 was advanced to individuals to enable them to purchase capital stock in such corporations which operated under the general supervision of the State. A total of 67 corporations were organized in this manner. The State of Mississippi passed a similar act, but no money was ever provided for the purchase of stock in agricultural credit corporations.

Discounts by the Intermediate Credit System, 1923-1932, indicate the volume of agricultural credit carried by privately capitalized financing institutions (table 15). For comparison, discounts by the Intermediate Credit System, 1933-1942, indicate the volume of intermediate credit extended by production credit associations as contrasted to privately capitalized financing institutions rediscounting agricultural paper with the intermediate credit banks (table 16).

The record indicates that some of the privately capitalized credit corporations may be classed as casual discounters with intermediate credit banks. This probably is due to the exacting credit requirements, together with the limitation upon interest rates that can be charged, which tend to discourage extensive rediscounting so long as commercial bank credit is available at comparable rates. In times of credit strain, when commercial banks curtail their livestock loans, these corporations may again turn to the intermediate credit banks for accommodations.

Even though the Agricultural Credits Act of 1923 providing authority for the organization of the Intermediate Credit System improved the credit service to agriculture over what had been available previously, privately capitalized agricultural credit corporations and livestock loan companies failed to provide adequate intermediate credit to farmers. The following

[1] Pub. Res. 11-72 Cong. App. Mar. 3, 1932 (12 U.S.C. 1401-1404).
[2] 12 U.S.C. 1131i.

is quoted from the 1931 annual report of the Federal Farm Loan Board: "Although many new agricultural credit corporations and livestock loan companies were organized and the capital of others was strengthened, the number and capacity of those now in operation in some sections apparently still is inadequate to take care of the normal short-term credit needs of farmers and livestock producers." The degree of inadequacy may be judged in part by the volume of agricultural paper rediscounted with the intermediate credit banks beeween 1933 and 1942 as compared with the previous 10-year period.

The matter of proper supervision of loans appears to be of paramount importance in the extension of intermediate credit. One of the most disturbing problems during the 1923-1932 period was the fact that privately capitalized financing institutions charted under State laws could not or would not maintain credit standards.

The absence of legal restrictions on State chartered credit corporations permitted careless loan practices and little or no loan supervision. If agriculture, and the livestock industry in particular, is to attract capital upon terms as favorable as those enjoyed by other industries, its paper must be put in such shape that there will be no doubt as to the soundness of the security offered.

Since the intermediate credit banks do not make loans directly to farmers, it is difficult for a central institution to make short-term loans without the aid of dependable local credit organizations subject to central supervision of loan practices. The creation of production credit associations as a connecting link between the farmer and the intermediate credit banks after 1932 appears to have supplied local supervision.

Another factor that needs to be considered in appraising privately capitalized financing institutions during the 1923-32 period is the matter of securing adequate capital investment to support an adequate volume of loans. Considering the number of groups participating in the formation of credit corporations, the raising of capital would appear to be relatively easy. But willingness to control and benefit from the organization of an agricultural credit corporation does not always carry with it a disposition to furnish the necessary capital investment.

Table 15 - Loans to and discounts for financing institutions by Federal intermediate credit banks outstanding at close of 1923 through 1932, classified by financing institutions, compiled from annual reports of the Federal Farm Loan Board

Year Dec. 31	Livestock loan companies	Agricultural credit corporations	National banks	State banks	Other banks, trust co.'s	Total rediscounts outstanding
1923	3,818,537.95	4,190,730.49	97,328.61	1,011,799.16	219,253.39	9,104,938.46
1924	7,964,515.54	9,787,005.30	26,580.07	812,188.78	169,346.50	18,759,636.19
1925	10,389,803.62	15,370,921.01	33,987.52	396,971.23	80,000.00	26,271,683.38
1926	15,598,209.62	23,786,242.42	27,021.07	243,702.89	74,635.80	39,729,811.80
1927	21,213,749.28	22,527,712.43	6,650.00	159,828.71	16,000.00	43,923,940.42
1928	23,783,833.64	20,990,992.12	49,874.28	187,923.13	90,500.00	45,103,123.17
1929	26,917,045.01	21,009,287.69	6,990.00	2,084,968.86	-	50,018,291.56
1930	32,848,112.77	30,407,538.36	61,750.00	2,313,683.83	2,116.50	65,633,201.46
1931	41,888,600.79	30,847,519.90	22,515.00	1,854,551.71	-	74,613,187.40
1932	49,641,240.51	30,882,077.67	5,747.00	1,988,688.71	-	82,517,754.39

Table 16 - Loans to and discounts for financing institutions during the year by types of institutions, compiled from annual reports of the Farm Credit Administration, 1933-1942

Year	Production credit associations	Regional Agricultural Credit Corp.'s	Other[a]	Total
1933	5,650.19	97,083,730.40	[b] 125,757,284.84	[b] 222,846,665.43
1934	110,133,809.00	113,434,699.00	124,948,535.00	348,517,043.00
1935	210,670,315.00	32,534,185.00	116,909,172.00	360,113,672.00
1936	241,428,462.00	-	106,205,652.00	347,634,114.00
1937	305,822,896.00	-	101,458,215.00	407,281,111.00
1938	331,752,701.00	-	90,466,346.00	422,219.047.00
1939	351,689,690.00	-	86,557,668.00	438,247,358.00
1940	387,274,989.00	-	88,593,157.00	475,868,146.00
1941	469,097,849.00	-	102,261,415.00	571,359,264.00
1942	536,004,273.00	-	110,077,871.00	646,082,144.00

[a] Includes all privately financed lending institutions such as agricultural credit corporations, livestock loan companies, and commercial banks.

[b] $990,863.96 represents discounts by one Federal intermediate credit bank for another.